

Winners love to travel first class.



Winners don't come first by being second class at what they do. The same applies to Hertz.

We do what we do better in order to win. That's why a valid Hertz credit card or No. 1 Club Card* is a first class ticket.

They mean instant rent-a-car credit at any Hertz location anywhere in the world.

One signature and a driving licence means no fuss, no delays and no seeing red.

We'll send you an application form and thus the chance to travel as winners travel, first class wherever you are in the world.

Hertz

Winners love Hertz.
Hertz rent Fords and other fine cars.

To find out more about the Hertz Credit Card/or No.1 Club Card* send this coupon to:

Ken Patteson, Vice President and General Manager, Hertz Asia Pacific Ltd., Maxwell Road, P.O. Box 286, Singapore. 9005.

Name _____

Company _____

Position _____

Address _____

Tel. _____

*In Australia, Canada, Europe, Japan, New Zealand, U.S.A.
American Samoa Australia Fiji Guam Hawaii Hong Kong Indonesia Japan Malaysia Nepal New Caledonia New Hebrides New Zealand Norfolk Island Papua New Guinea Philippines Saipan Singapore Sri Lanka Tahiti Thailand

NEW ZEALAND'S
NATIONAL WEEKLY OF
BUSINESS, POLITICS
AND ECONOMICS

Incorporating Admark

80 cents

NATIONAL BUSINESS REVIEW

Inside

THE WEEK
VTC transfer raises questions — Pages 3.
Cheap marg lobby makes up to MacIntyre — Page 5.

COMMENT
Editorial without word of a lie — Page 6.
A tale about the Shikik Isles — Page 7.

POLITICS
The end of the Holyoake days — Page 8.

ECONOMICS
Mexico holds promises for increasing trade — Page 11.

O'BRIEN ON BUSINESS
Credit disclosure considered — Page 12.

ANALYSING ANNUAL ACCOUNTS
Montana Wines — Page 13.
Right aggregates found for targets — Page 14.

PRIMARY INDUSTRY
Net cast for hens, hawks and trends — Page 16.

LAW
Changing the consumer laws — Page 17.

PROFILE
Bureaucracy battles fiercer back — Page 19.

MANUFACTURING
The deserving defend protection — Page 21.

MARKETING
Campaign creates lucrative local cheese craze — Page 23.

MEDIA
"Ethnic" sells magazines — Page 25.

THE PACIFIC
Joint ventures face market access problems — Pages 28 and 29.

GOVERNMENT ADMINISTRATION
CER inches down the track — Page 30.

Wielding the cash limit weapon — Page 31.

TOURISM
Continental puts its own staff on the counter — Page 32.

Duty-free doesn't mean bargain — Page 33.

SPORT
Money married sellless days of yore — Page 34.

AGRICULTURE
Spring has sprung but seasons still to come — Page 35.

WINE
Using aids discerning consumers — Page 36.

OFFICE EQUIPMENT
Paintings offset peasant rage — Page 37.

OVERSEAS TRADE
Germans cool on Kiwis despite local paranoias — Page 38.

FORESTRY
Timber tamers start highway showdown — Page 39.

PLASTICS
Laminated glass being made locally: Australian products find big market here, and Dallas prepares trial tag deal — Pages 40, 41 and 43.

Wine industry pressing Govt to water IDC overhaul

Special Correspondent

THE Industries Development Commission report on the wine industry has recommended to the Government that increased imports of wine be allowed with a much lower duty, specially on cheaper imported wines.

The report also recommends:

- That supermarkets and grocers be licensed to sell domestic and imported wines for consumption off the premises;

- That the need for a winemaker's licence be abolished;

- That the wholesaling of wine no longer be subject to the holding of a licence under the Sale of Liquor Act;

- That a wine reseller's licence be extended to sell both imported and domestic wines for consumption off the premises.

NBR understands the report suggests that import quotas be established for a two-year phase-in period at a level of \$12 million c/s so that the effects of more liberal duties on the local industry can be studied.

The radical recommendations that the Government delicense the wine industry and make it compete more efficiently in the marketplace are consistent with the spirit of the Government's economic restructuring philosophy.

But it is understood they have stung a swift and angry response from the industry whose representatives have lobbied Trade and Industry's Lance Adams-Schneider in the hope of getting the report amended.

The Government had tried to protect a position which would enable it to make changes surreptitiously, depending on the strength of the reaction from the powerful wine lobby.

It planned to deny consumer access to the report by instructing the Industries Development Commission to send copies of the report — under strict confidentiality — to industry groups such as the Wine Institute, grape grower associations, wine distributors and resellers' organisations.

These bodies were asked specifically to comment on the effects the IDC recommendations would have on the industry and employment.

Wine industry sources in Auckland, clearly nervous



Adams-Schneider... lobbied to amend report

about any release of information from the report, denied knowledge of its contents well after they were known to have received it.

Because NBR had released previous information on the industry, which we deemed to be in the public interest, Wine Institute spokesman Terry Dunleavy has said that any questions we put to him should be in writing.

NBR received its information on the broad outline of the IDC report because some wine industry sources in Auckland object to the clandestine attempts to keep the consumer in the dark.

IDC sources say they fear the Government will water down their recommendations to appease the powerful wine lobby.

It seems that Government is concerned more with the political effects of the IDC report than in economic principles of consumer interest.

The only consumer interest that gave evidence at the IDC hearings last year requested a report from Trade and Industry Minister Lance Adams-Schneider. The Minister replied that he had authorised release of the report only to "major appropriate elements of the wine industry", and consumer interests would have to wait until the Government made a decision on the report before they could see it.

The IDC has been told to report back to the Minister this week after contacting such bodies as the Wine Institute.

The Government's attitude on the wine report contrasts with the open manner with which the IDC report on clothing and textiles were handled. Both the industry

and consumers were presented with the facts in that case.

The IDC has shown itself capable of producing highly detailed work taking all interests into account, balancing consumers' interests against the need to protect jobs and reduce imports.

Such a report was expected on the wine industry.

Consumers' interests should be paramount in any study of the wine industry. Price resistance to New Zealand wines is causing many people to switch to a cheaper, better-quality Australian wine.

The price of a bottle of New Zealand wine has increased from just over \$1 to \$3.75 since 1970. This increase in wine prices far outstrips the rise in the general consumer price index.

Winemakers have their problems. Contract-grown



Grapes... grow on \$7000 an acre land

grapes cost \$370 a tonne here and only \$180 a tonne in Australia. Prime grape-growing land in Coonawarra Australia costs \$1000 an acre. Gisborne grape land goes for \$6000 to \$7000 an acre.

The New Zealand wine industry wants more protection from imports, which means higher prices and less choice for consumers. In return, the Wine Institute has promised to pay its social dues by increasing exports.

But wine exports have been minimal. Eighty per cent of them have come from Corbans, the bulk of this being sherry sent to British Columbia.

New Zealand wines are making no headway in the Australian market. They are too expensive and the quality doesn't compare with fine Australian wines which sell more cheaply. Australian wine sellers say.

Protecting the wine industry so it can hit the captive New Zealand consumer with higher prices would therefore be counter to the objects set out in Government's economic restructuring policy.

Phone that Telex message

Telex service is now as close as your nearest telephone.

Take advantage of the Post Office's 24 hour 'Phonatelex' service operating nation-wide.

Simply:

- Call "Telegrams" (or if you are calling from outside a Chief Post Office telephone free calling area-dial tolls)
- Ask for 'Phonatelex'
- The operator will take your message, arrange for it to be transmitted to the telex subscriber and post you a copy
- Its almost like having telex in your office

Phonatelex



Keeping you, in touch with each other.

The week

Load-out threat

THE Meat Workers' Union called on members to vote for an export load-out ban.

CHRISTCHURCH retailers opposed Saturday shopping and insisted they would keep their shops shut.

WITH an eye on gaining support from small businesses and the public president, George Chapman said the National Party would slant its campaign strategy towards publicising the benefits that would trickle down to these groups from the Government's development policies for the 1980s.

FIJI signed the South Pacific regional trade agreement with Australia and New Zealand after settling the orange juice issue.

AIR New Zealand resumed negotiations with the Chilean airline, LAN, to start an air link

between the two countries but the FOL is maintaining its opposition to the move.

THE joint New Zealand-Bahrain coolstore venture has picked up business since the Iran-Iraq war.

FEES payable under the Companies Act will be increased from October 28.

PETROCORP has let a contract with Hurlston Earthmoving Limited for the site development work for the Kapuni ammonia-urea plant.

THE promise of 500 permanent jobs to the 1100 temporary railway workers and the retention of the rest put an end to last week's railway stoppages.

The business week

Canterbury Frozen Meat Ltd decided to resume trading in a significant amount of its

lamb, beef and offals. It will pay a final ordinary dividend of 11.5 per cent.

Industrial Equity Ltd reported an unaudited tax-paid profit of \$A9,642,000 for the year to June 30 (\$A4,483,000 last year). A final ordinary dividend of 4c is payable on November 13.

Progressive Enterprises Ltd appointed Alan Bell, Waari Ward-Holmes and Brian Woolf to the board.

The Permanent Investment and Loan Association of Canterbury will pay a final dividend of 7 per cent for the half-year to September 30 on November 24.

Printing and Packaging Corporation Ltd reported an audited tax-paid profit of \$2,763,196, a 42 per cent increase. A final dividend of 10 per cent is payable.

Odins Ltd purchased the timber merchandising and

joinery manufacturing business of Paynter and Hamilton Ltd. Odins will also acquire the company's sawmill at Harewood.

Watfies Industries Ltd reported an unaudited tax-paid profit of \$17,543,000 for the year to July 31, a 13.7 per cent increase. A final dividend of 5.5 per cent is payable.

Autoerac Sanyo Holdings NZ Ltd reported an unaudited tax-paid profit of \$880,837 for the half-year to August 31 (\$730,103 last year). An interim dividend of 8.5c is payable on November 3.

L D Nathan & Co Ltd reported an audited tax-paid profit of \$5,704,000 for the year to July 31 (\$A4,806,000 last year). A final dividend of 10c is payable on December 15.

Lane Walker Rudkin Ltd will close down its Waimate plant making 57 people redundant.

Economic indicators

THE Consumer Price Index for all groups increased by 3.6 per cent in the September quarter compared with the June quarter.

WINE production increased by 10.2 per cent in the 1979-80 year from 43,341,000 litres to 46,647,000 litres.

THE orders, which major private importers placed overseas for August (not counting mineral fuels) decreased by 11.7 per cent, totalling \$158 million.

The week ahead

MONDAY: The People's Republic of China's Forestry Minister, Yong Wentao here on an official visit.

Seventh International Management Conference of the Asian Association of Management Organisations in Adelaide.

Talk entitled "fast-track training" sponsored by the Association of Training and Development in Wellington.

TUESDAY: Prestige Holoprot (NZ) Ltd's annual general meeting in Auckland.

Wormald International NZ Ltd's annual general meeting in Auckland.

Commerce and Energy select committee looks at the Petroleum Amendment No 2 Bill.

Health and Welfare select committee looks at the

Plumbers, Gasfitters, Drainlayers Amendment Bill. Lands and Agriculture select committee looks at the Board Amendment Bill. Public Expenditure Committee meeting. Statutes Revision Committee looks at the Penal Institutions Amendment Bill, Criminal Justice Amendment No 2 Bill, and the Citizenship Agreement Bill.

WEDNESDAY: Foreign Affairs committee meeting. Commerce and Energy Select Committee looks at Cinematograph Film Amendment Bill and Electric Power Board Amendment Bill. Labour and Education Select Committee looks at Factories and Commerce Premises Bill.

Lands and Agriculture Select Committee looks at the Agriculture Regulations Bill and the Poultry Bill. Local Bills Select Committee looks at the Auckland Memorial Museum Amendment Bill, Racing Amendment Bill, and Impounding Amendment Bill.

Parliamentary Privileges Committee meeting. Public Expenditure Committee meeting. Statutes Revision Committee looks at the Credit Contracts Sale of Liquor Amendment Bill.

FRIDAY: Australia and New Zealand Greyhound Association conference in Auckland. Ajax GKN Ltd's general meeting in Auckland.

PM survived for another round

by Colin James

THE PRIME Minister last week survived for another round. The steel was not quite sharp enough or the resolve quite well enough pulled together to do the deed.

But the issue is not going to go away. MP's — with the acquiescence of an almost "humble" Prime Minister — have kept the issue alive.

In the words of one MP, it is an unfolding issue. In the words of another, it is still fluid. By any standards, it was an extraordinary week. Gradually a majority was put together, so some MP's claim, for changing the leader.

Even though it did not come to anything last Thursday, it remains a unique affair — to challenge a sitting Prime Minister has not even been seriously mooted since the first world war.

And that it is still alive is even more intriguing. Over the next two weeks, much intrigue and manoeuvring can be expected in anticipation of the return of Brian Talboys. If there is a move, it is likely to be at next week's caucus meeting. Basically the situation is:

• The Prime Minister has left open to MP's the opportunity to raise the issue again over the next two weeks and talk it out;

• He now has two weeks to use all the many weapons — offers, threats, calling up of old debts, help in individual electorates and so on — to head off the supposed majority for change;



Brian Talboys... expected in anticipation

• He has also the option of really changing his manner of leading the Government — a Cabinet change, a reshuffle of the Government's economic programme, attention for personality politics — which just could cool enough hot heads.

• But if there are no changes, MP's will realise over the next week or so how they actually got from him — they could refuse their demands.

Their uncertainty will be heightened by the results of October 4 Heylen Poll for the Auckland Star 25 National Business Review showing a continued slide in National fortunes. National needs something dramatic to turn that round.

looks after your people

October 20, 1980

October 20, 1980

The week

Questions raised by vocational training transfer

by Allan Parker

INDUSTRY employers are protesting a decision by the Government-funded Vocational Training Council to let its national women's advisory officer set up an office in Nelson after her boyfriend was transferred there.

The woman, Mary O'Regan, rents office space in Nelson and commutes to Wellington for meetings and briefings with her employers.

Private-sector employers question the decision to allow a senior national official to set up shop in a small provincial centre at the taxpayers' expense for what are essentially personal reasons.

Most of the criticism is coming from Auckland, where manufacturing engineers, particularly, are pressing for increased training on the Engineering Industry Training Board to cope with their demands.

Their questioning is proving highly embarrassing, because the VTC is undergoing a Government review of its operations.

The decision to let O'Regan go to Nelson was made by retiring VTC director Bob Stewart.

NBR understands that it caught council members by surprise and, according to one source, the members were "quite upset" when told of the decision.

Council chairman Major

General Les Pearce apparently was overseas at the time of the transfer decision and expressed some concern on his return to New Zealand. The transfer was made without his approval.

An industry employer source told NBR: "There's been quite a bit of stirring about it. It's most inconvenient and costly, particularly as her appointment is a national one."

Another engineering industry source said: "It's a total misdirection of resources."

VTC director Stewart says the appointment was made on a trial basis and will be reviewed at the end of this year — some six months after O'Regan moved to Nelson.

He says a cost-benefit study shows the cost of maintaining O'Regan in Nelson is less than keeping her in Auckland. That reasoning appears to be based on a room rental of about \$10 a week and a once-a-month trip to Wellington.

But the private industry employers question the efficiency and effectiveness of maintaining an office for a national official a \$70 return air fare away from head office.

Stewart argues the O'Regan is also undertaking liaison and pilot scheme work in the district.

The liaison work, he says, is reducing travel costs for the VTC's Christchurch staff and the pilot study work will have national implications.

Another reason for approv-

ing the transfer was to keep the services of O'Regan — "a top-class officer" who was heavily involved in a variety of VTC projects at the time of her request to shift centres.

"We could not have replaced her to do the work so decided not to lose eight-to-nine months work."

O'Regan agreed that her request to move to Nelson was for "personal reasons".

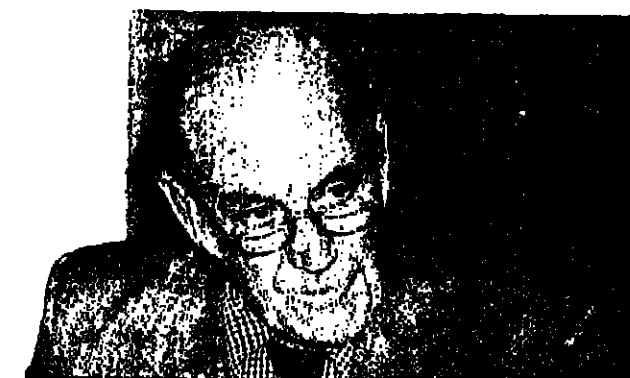
The establishment of a Nelson office — "it's just a room really" — was "rather unofficial" and a "private arrangement between the director and myself".

She said she would "personally be very annoyed" if an article was published. The arrangement, she said, is "not State Services policy".

O'Regan maintained that she travels frequently in her capacity as a national officer for the council and a record has been kept of costs involved in operating from Nelson instead of Wellington "where a desk is still kept for me".

She also noted that "I am the only person doing my job in New Zealand and I spend a lot of time travelling around the country, anyway."

The arrangement, she confirmed, was only on a trial basis. She did not know if it would continue after the Christmas review but doubted if it would if the deal was made public.



Bob Stewart... made decision to let O'Regan go

VTC Women's Advisory Committee chairwoman Dorothy Stafford said the proposal that O'Regan operate from Nelson was "our (the committee's) idea and our scheme".

"We were faced with the resignation of O'Regan who had already applied for a position in Nelson. And the last

time we had a vacancy it took us nine months to get a replacement — that's the way the public service system works."

She described the move as "an experiment in decentralisation" and an opportunity to set an example of flexible working patterns as endorsed by the recent Planning Council report on employment.

She said any increased costs would be "peanuts" in the context of the VTC's total budget and "any thought that O'Regan went to Nelson on a personal whim would be totally incorrect".

In the meantime, Auckland engineering trade employers are becoming increasingly concerned at the lack of training coverage for their industry.

The Engineering Industry Training Board used to maintain two officers there but one was moved to Hamilton to cope with growing demands from the Waikato area.

The remaining officer resigned and a replacement began work in Auckland only last week.

The Auckland engineers consider a second training officer should be appointed as a matter of urgency.

The ideal gift for friends and relatives in the U.K. McWILLIAM'S WINES SIX BOTTLE GIFT PACK

This novel gift of superior wine from the South Pacific is simple to arrange — just complete and mail the form below with your cheque or postal note.

We'll organise delivery of your gift to any address in the United Kingdom.

Choose from two pack selections.

AUSTRALASIAN PACK containing one of each of the following: Cresta Doré (New Zealand); Bakano (New Zealand); Cabernet Sauvignon (New Zealand); Cream Sherry (Australian); Bin 76 Riesling (Australian); Silver Jubilee Traminer (Australian).

NEW ZEALAND PACK containing two of each of the following three New Zealand wines: Cresta Doré; Bakano; Cabernet Sauvignon.

To ensure pre-Christmas delivery order now. Complete and mail the coupon below with your cheque or postal note.

The Export Manager, McWilliam's Wines (NZ) Limited, P.O. Box 1283, AUCKLAND.

Please arrange the following "six bottle gift pack" deliveries:

AUSTRALASIAN PACK

..... packs at \$48.00 each. Total Price \$

NEW ZEALAND PACK

..... packs at \$48.00 each. Total Price \$

Cheque/Postal Note enclosed for \$

Sender's Name

Address

..... Phone

Recipient's Name

Address

Message to accompany gift (or if desired attach personal card)

• Prices quoted will remain firm while current stocks last.
• All prices are quoted in New Zealand currency and include tax, packing and delivery charges.
NOTE: To ensure Christmas delivery your order must be received by 20 November 1980.



If it's a problem it ends up on Mac's desk... That's why Mac uses Air New Zealand Courier Pak. It's a door-to-door service that gets urgent items inter-city in New Zealand the same day — no wonder they all think Mac's the bee's knees!

Just pick up the phone!

Auckland 796-380 Wellington 857-999
Christchurch 583-186 Dunedin 771-450

AIR NEW ZEALAND
COURIER-PAK

OWME 31051 B

"Five new staff members? I couldn't have done it without the Department of Labour's Additional Jobs Programme."



H. A. Macalister

"The high cost of recruiting and training new staff is one major financial deterrent for any smaller business wishing to expand. But with the Additional Jobs Programme I was able to overcome this problem. In fact I took on five new trainee machinists over a six-month period, three of whom are still working for me. And I was able to do it because of the Additional Jobs Programme weekly wage subsidy. The

subsidy allowed me to take on new recruits and give them a chance to show me their skills. I was able to give them thorough on-the-job training and those who have stayed on have now become very valuable members of our staff."

H. A. Macalister, Manager
J. McGrath & Co Ltd,
Clothing Manufacturers, Dunedin.

The Department of Labour's Additional Jobs Programme is designed to help both big and small firms wishing to expand their business operations, by recruiting and training new staff. It offers all private sector non-farm employers a wage subsidy of \$50 per week for every additional staff member taken on, paid throughout the first six months of employment, and so reduces the cost of staff expansion during the period of initial on-the-job training. If you are planning to expand your business in this way, check out the Department of Labour's Additional Jobs Programme first. Send for full details now by filling in the coupon below or contact your local Department of Labour office.

Additional Jobs Programme



DEPARTMENT OF LABOUR

To Additional Jobs Programme
The Department of Labour
Private Bag, Wellington
Please send me further information about the
Additional Jobs Programme.

NAME:

ADDRESS:

The week

MacIntyre lobbied to let cheap marg onto market

THE Dairy Board harbours secret fears that forces within the Trade and Industry Department are preparing to unleash recommendations which will allow cheap margarine to compete locally with butter.

Board sources suggest there has been some "heavy" lobbying of Agriculture Minister Duncan MacIntyre and his department to have the Margarine Act changed to allow edible tallow-based margarine manufacture.

Under an amendment to the Act in October 1972, polyunsaturated margarine (made from edible vegetable oils), found its way on to the market.

But the cheaper tallow-based product remained shut out.

Dairy Board insiders believe pressure is being put on MacIntyre by a major North Island manufacturer.

Presumably, his weight would be lent to supporting changes in the Act which could follow in the forthcoming IDC

report on the margarine industry which is now before the Trade and Industry Department.

The lobbying manufacturer is basing its request on export prospects of tallow-based margarine to South-east Asia.

Industry observers say the local industry has levelled out and is in an "overkill" situation because of a third entry into the market - Kaipara Edible Oils Refinery Ltd of Helensville.

The industry is not considered profitable and the only route to growth is through exporting.

Expensive vegetable oils preclude exporting polyunsaturated margarines. But New Zealand - already a substantial tallow exporter - could manufacture tallow-based margarine and export competitively.

Dairy Board insiders say that given the Government's mood for restructuring and competitiveness, there is a chance the Act may be changed once again.

The Margarine Act 1908 defines margarine as including all substances and compounds prepared or manufactured from animal fat or edible oils, capable of being used as a butter substitute.

The amendment in 1972 merely allowed the use of colouring and flavouring of edible oil-based margarine. Margarine has about 16 per cent of the New Zealand spread market - 7500 tonnes of margarine a year against 48,000 tonnes of butter.

There has been some recent industry talk about importing cheap Australian tallow-based margarine for the local market in exchange for exporting our butter to that country for re-export.

But Australian margarine manufacturers - interested though they are in seeing their products on our supermarket

shelves - doubt whether that scheme will ever see the light of day.

An industry spokesman in Sydney told *NBR* that the dairy industry just wouldn't tolerate New Zealand butter.

"They've stopped the erosion of their market share by doing a good marketing job. They won't throw all that away by putting up with New Zealand butter in Australian stores."

The Australian spread market is divided 70/30 in favour of margarine. But it is an extremely competitive market and looks to exporting for growth.

Major Australian producers have looked to New Zealand in the past, and in fact Marrickville Holdings Ltd - formerly one of the big four margarine manufacturers - owned 25 per cent of Abels Ltd Auckland

and half of Eta Foods Ltd Auckland, before selling them 18 months ago to General Foods Ltd.

A recent article in the Australian Primary Industry Letter quoting Primary Industry Minister Peter Nixon clearly spelt out the Aussies' attitude:

"I can assure you that, as a guideline principle, the Australian Government does not contemplate entering any new trading arrangements with New Zealand except on the basis of equality of fair trading opportunities between industries in the two countries."

"I would also like to repeat the assurances made publicly by the Prime Minister and myself that the Government will not allow the Australian dairy industry to be adversely affected by unfair competition from New Zealand or elsewhere."

"As I have said on previous occasions, the answer to New Zealand's problems lies more in co-operating with Australia to develop third markets, rather than trying to encroach on our domestic markets."

But a bigger threat to butter is its retail price and controlled margin.

It now costs 87 cents a 500 gram pack and 7% margin, compared with margarine at \$1.12 and a 25 per cent margin. Margarine regularly sells in city supermarkets for 95 cents a 500 gram pack, and often as low as 85 cents as a loss leader.

Said one producer last week: "The price of butter can only go one way because it is a dairy product tied to the fortunes of New Zealand's economy. Margarine, on the other hand, is related to the world price of edible oils which constantly rises and falls."

Works spending reforms

STRICTER controls on the Government's works programme are to be attempted to weed out expensive or low-priority projects before they become politically impossible to stop.

The key point in the Treasury approval chain now is at the stage of calling tenders.

It is then that the Treasury has enough information to assess the economic impact and efficiency of the project.

But political commitments have often been made which make it impossible to call off the project, no matter what other arguments may be advanced against it.

The result is that a project may be built which not only uses up scarce capital, but then imposes an inescapable current spending liability.

Example: Hospital buildings have recently been completed that were originally

planned in the early 1970s at a time of fatter budgets and a growth economy. Some have been left unused because it costs roughly half as much a year of current expenditure to run them as it cost to build them.

The Treasury is taking a tougher view this year, according to Treasury assistant secretary Brian Tyler.

He says the Treasury is aiming to assess projects at a much earlier stage. In the past conditional approval was often given in the expectation that the decision could be reversed if necessary before the Government became locked in to a project on the letting of contracts.

This system will not apply to this year's works programme since it is now too late in the cycle to do so. It will apply to next year's review.

"One quality...
the very
finest"

Champagne
Veuve Clicquot
A tradition
since 1772

Master Distributors
HUGHES &
COSSAR LTD
Auckland



FROM OCT. 20

A WHOLE NEW BALLGAME TO SYDNEY.

CONTINENTAL AIRLINES FLIES THE TASMAN

Suddenly, flying the Tasman to Sydney is fun again. Now you can fly the American style of Continental Airlines. Expect a whole new ballgame when you fly with us. We're out to give you a good time, not just a seat on a plane.

Continental "Statesman Service" for example. It has a list as long as your arm of extra comforts for no more than normal economy fare. Enjoy exclusive TV video shows like "NBC Sportsweek" and "CBS Magazine of the Air". Free headlines, free drinks, choice of menus.

You can also count on un congested Auckland check-ins, preferential baggage handling, and VIP lounges. See your Travel Agent now. He's ready, willing and Tasman-able to book you Continental to Sydney. Cargo too, gets a great ride from our big, new service.

YOU SHOULD SEE US NOW.



The Proud Bird with the Golden Tail.
CONTINENTAL AIRLINES
U.S.A./Canada/Mexico/Hawaii/Micronesia/Australia/New Zealand/Fiji/Samoa/and the Orient.



Comment

Editorial

PRIME Minister Robert Muldoon came home last Wednesday to an unenthusiastic welcome. In his absence there had been a subtle shift of mood, a sense of calm not enjoyed since the Holyoake years. His deputy, Brian Talboys, had for the first time been truly an acting Prime Minister: confident, assertive, prepared to lead decisively and independently on the South African tour and industrial strategy. There was little desire for a return to the antics and contortions of Muldoon wizardry.

The depth of distrust and disillusion in his own party did not escape Muldoon. After a trans-Pacific flight, when most people want to rest, the Prime Minister went instead to a meeting of his party's dominion executive, which told him as bluntly as these things can be done within the decorum of high politics, that the party's chances in 1981 look extremely dim and he must carry much of the blame. Putting his best face on it afterward, Muldoon talked of his "old friends" on the executive. Had he read his *Listener* first he would have seen his president shying away from returning the accolade: "No, I make no claims that Rob Muldoon is my friend."

How many others in the party would echo that? Even in Auckland, once his power base, even in his own loyal domain of Tamaki

which has boasted one of the tightest, most harmonious and dedicated organisations in the country, the Muldoon magic has turned to a millstone. Once he could turn the dross of 1972 defeat into the gold of 1975 victory. Now he is the leper who cannot change his spots. He was "too long in the tooth" to change his leadership style, he said when he got off the plane. Those were exactly the words party workers least wanted to hear.

What has gone wrong? Newspaper clippings from 1974-78 are littered with intemperate Muldoon attacks on some unfortunate group or other. Muldoon grenade-throwing was the country's favourite spectator bloodsport. Why not now? Why is "it's happened once too often" one of the most frequent phrases on party lips?

A year ago the National Party had a plan. Reduced to its essentials, it entailed freeing up the economy to make it more efficient and encouraging fast, capital-intensive, foreign-financed industrialisation. A vision floated before the eyes of party strategists of a country rich in resources, once again self-confident and relishing challenge.

Many questions could be and have been asked about that vision's validity. But at least it was a vision, when none was being offered in the political arena. The party believed it could be sold to the electorate as an elec-

tion-winner — not the ignoble superannuation bribe of 1975, but an honest offer of a worthy future.

The vision has not been sold. It lies in tatters amid growing suspicions that the National Government is selling off our heritage to foreigners, and cheaply at that; that it stands on the side of big business at the expense of small business; that it stands for the heartless scrapping of jobs in the name of "restructuring". And now there is not even the claim of sound economic management to fall back on. Unemployment and inflation are high and apparently intractable. Business expansion which might help reverse the employment trend is deterred by crippling interest rates and uncertainty over the future shape of the economy.

Not all of this can be laid at Muldoon's door. Depressing international influences on the economy are not easy to counter. And he, more than most in his party of "more market" ideologues, has recognised the electoral pitfalls in too fast a liberalisation of the economy. He is as much an economic nationalist as many of his critics. But the tide has been strong. Canute-like, Muldoon has had to acknowledge its force; the result has been an equivocation that has made him an interventionist among his fellows while a ruthless "destructor" among his oppon-

ents.

Muldoon may have sensed, perhaps correctly, a like equivocation in the electorate. But two negatives do not make a positive in politics. And it is a positive lead that the country seems to yearn for now. Why do we would Talboys' speech to manufacturers' month reaffirming the Government's commitment to restructuring be in his demand? What has prompted his former

It is Muldoon's very compounding of the public's equivocation that has him in a water with the electorate, and the party. In his essential negativism, his quintessential failure to develop a positive, long-term goal for his beleaguered countrypeople to look to, to that put him through a rousing at his Thursday's caucus and left him a lame duck leader, his position open to challenge over the next few weeks. Talboys is not only ready to serve, but clearly has very wide support.

In 1975 Muldoon said he hoped above all to leave New Zealand no worse a place than he found it. Five years later, it is unquestionably a worse place. If he doesn't dramatically reform, the electorate will see to it anyway that his ambition will be defeated. Unless, of course, the caucus, now at last aware of the

Collyer

Comment



The inspiring story of the Siwik Isles inhabitants

by Brother Jeremiah

WALKING on one of Dunedin's beaches recently I chanced upon a small basket washed on to the shore. In it was a manuscript containing this account of the Siwik Isles which seemed to me so affecting and instructive that I now make bold to place it before the New Zealand public.

The two Siwik Isles lie in the recesses of the South Pacific and until very recently their inhabitants lived in the deepest heathen darkness. One of their most striking vices was that they tried to do as much as possible for themselves. Each family not only planted coconut trees but swamptaro and yams as well. Instead of sticking to a single crop their plantations were an untidy mess with a breadfruit tree or two, a few oranges and lemons, perhaps a mango and a few bananas.

Some even took absurdity to the extreme of growing their own peppers and making their own coffee from the beans of one or two trees.

When not working in the gardens the men went fishing while their wives spent tedious hours making bark cloth from the local trees.

Mild by austere chiefs like Igavav and Krik they even placed barriers across the outlets of the reef to stop the big ships landing fully completed goods. Instead they insisted on getting the strangers to let them have goods in pieces so that they could put them together themselves.

Living in this fashion they were able to sustain themselves in a healthy but primitive way which they made even worse by the foolish customs of giving a portion of the product of their gardens to a pool from which those prevented from working by bodily or mental disabilities could be adequately nourished and from which a body of medicine men and sick attendants were sustained to care for those who fell into ill health.

The few foreigners who visited the isles in those barbaric days reported that the people seemed quite happy, blissfully unaware that they were living in the deepest economic sin. They did not even seem to care that their foolish customs meant that the chiefs and owners of large plantations were unable to acquire the riches which international specialisation should have made available to them and that they were thus denied the opportunity to distinguish themselves very markedly from the vulgar herd.

It is an ill wind that blows no one any good, the saying goes, and this was to be the case with the Siwik Isles. It was a chill wind blowing across the isles from faraway lands which, by damaging some of the crops and sinking some canoes, made the old Siwik Isles unpopular and led the people to choose a new leader, the great and wise chief Mugaboon, affectionately known from a distinguishing mark as

economically viable he told the people. We must concentrate entirely on doing what we can do better than anyone else. Lame ducks must not be supported, he insisted. That is the fundamental article of faith.

So enlightened, he led the Siwik in a campaign to restructure their economy. It was evident of course that fishing with hand-lines from canoes was far less efficient than netting them by the none in modern trawlers so the people wisely gave up fishing and imported frozen fish instead. For the same reason the planting of a medley of crops on little plots was soon abandoned.

Instead of messing about with coffee beans, those who could afford it now had instant coffee in attractive tins. It was speedily evident indeed that no agricultural or industrial activity on the isles was economically viable except coconut growing and the tourist trade. Foreign companies were thus invited to establish fabulous hotels where the Siwik could see the world's elite gambling in the most up-to-date mechanised casinos.

As for coconuts it was not long before it became obvious that the system of small family or clan plantations was hopelessly inefficient economically. Fortunately an international company with immense capital provided by the oils of the lands of Arab came to the rescue. With its aid the entire Siwik Copra industry was united in a single highly efficient concern.

To make this possible, however, it was necessary to replace the Siwik workers. Wedded to habits derived from their pagan past they made the quite uneconomic demand for wages sufficient to enable them to eat three times a day.

They even banded together in societies and pledged to enforce their demands by the threat of refusing to work altogether. It was fortunate indeed that Chief Mugaboon's leadership was equal to the occasion and that foreign labour took over from the Siwik recalcitrants.

As these beneficial reforms continued, more and more Siwik came to realise that they were themselves economically non-viable enterprises and should be restructured by death or emigration. The former process was fortunately hastened by the reduction and eventual abolition of the system of handouts for the unfit and of the community-supported services of medicine men and attendants.

Chief Mugaboon's successors convinced the people that while it was an economic sin for a community to try to be self-sufficient it was a crime for an individual not to be so. They got them to realise at last, that to help the unfit was actually to degrade them, to prevent them from standing on their own feet. Such help was contrary to the basic article of faith that lame ducks must not be propped up.

Of those who didn't die, most emigrated to the cities of the great South Land where in place of their former heathen life they are now far better employed as cheap immigrant labour, dole-bladders, pimps and drug couriers.

Some Siwik do indeed still live on the islands. The girls do well as dancers and prostitutes in the tourist hotels. The men, while living mainly on the earnings of their womenfolk, make something

from carving pseudo-traditional nicknacks.

The most beneficial effect of this economically desirable reduction of the Siwik population is that it has enabled the small elite, who own and rent the land to the foreign companies, to break out of the dull dreary homespun confines of their previous heathen state. They are now able to participate in and enjoy to the full the rich sybaritic existence of the international elite to which their nobility of birth so fully entitles them. Let us hope that other such pagan island peoples will be inspired by this tale and follow the true progressive path.

FOOTNOTES
 (1) These are the names of the people. It is a tradition, dating from the time of a bad shipwreck, though as a rule and as a matter of fact, they have never seen a ship.
 (2) Another abundance of this paper, that was the only one of its kind, was sold to a foreign company for the purpose of being used as a book cover. During the period the Siwik could obtain by this means a few economically unimportant practices of hygiene and sanitation, but it is hoped that their progress might be hastened by the use of a more modern method of book binding.
 (3) The Siwik are a very primitive people. They are not even allowed to use a razor. They are not even allowed to use a mirror. They are not even allowed to use a comb. They are not even allowed to use a brush. They are not even allowed to use a soap. They are not even allowed to use a towel. They are not even allowed to use a shirt. They are not even allowed to use a pair of trousers. They are not even allowed to use a pair of shoes. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair of underwear. They are not even allowed to use a pair of pajamas. They are not even allowed to use a pair of nightgowns. They are not even allowed to use a pair of slippers. They are not even allowed to use a pair of socks. They are not even allowed to use a pair of gloves. They are not even allowed to use a pair

Letters

Destructive criticism

AFTER watching a news headline retransmit the other day my 18-year-old son remarked that there was nothing good among the items telecast. When I asked what he meant by "good" he said every item had to do with death, doom or destructive criticism.

Your editorial column (NBR September 29) reminded me of my son's remark.

It must appear to many particularly overseas readers that the media in this country believe that politicians in New Zealand when elected to govern, by the people, then sit down and dream up all they may implement by way of legislation that will attract the most criticism from the media and possible action by the minority pressure groups.

I do not believe that our politicians, of whichever party, think in this way.

Is it not true that New Zealanders did a little thinking constructively about how to make this country a better place to live in by getting alongside each other to see how we can help each other rather than how to destroy each other?

MA J Miller
Auckland

Personal tack on tourists

COMMENTING on the article by Lynette Rankin (NBR September 15) and other recent discussions on the tourist industry, I rather wish there could be some nationwide promotion of the idea that most tourists come, not only to see the sights, but to get to know the people.

They are very appreciative of any gesture of friendliness or helpfulness on the part of strangers in a strange land, and we could make this a feature of our tourist industry.

I was struck by the need for this when I recently spent a few months in a town that is a recognised tourist resort, and discovered that asking for directions in shops or offices caused the temperature to drop several degrees, the only conclusion being that these people are sick of tourists and don't mind showing it. (A notable exception was the AA office.)

Some years ago, I was waiting, on a Sunday morning, at the junction of Symonds Street and Khyber Pass Road for a bus, and noticed a young man festooned with cameras, also waiting. Finally he asked me which bus he should take to go to the city, where he was to take another bus that would go past the museum; the whole journey with intervals of waiting being likely to consume several hours of his day. I asked if he minded walking, pointed down the road to Grafton Bridge and said that if he crossed by it and kept on walking he would very soon be in sight of the museum; 20 minutes ought to do for the whole job. He had been misdirected, which was bad.

Another time, I saw a lady taking photographs in Albert Park, we got talking, and it appeared that she had a very limited time to spend and had wanted very much to go to Judge's Bay, but had no way of getting there, as her hotel had been unable to direct her. I put her on her way, which was perfectly simple, and wondered why tourists don't try a little harder.

Marion Kirk
Auckland

UNDER the heading Without Word of a Lie (NBR October 6) you comment on the arrest and allegations of torture of Claire Wilson, a young Anglo-Chilean woman resident in Santiago, and infer a lack of

Chilean credibility

credibility on the part of the Chilean government and of the ambassador of Chile accredited to New Zealand.

Compliments for Gamlin

I have just read the political comment of Mr Jeff Gamlin (NBR September 22) on the East Coast Bays by-election.

I must say that I have not read any of Mr Gamlin's political writings before but found his analysis of the election result both perceptive and well researched.

It makes a pleasant change to read such a well balanced political commentary in *National Business Review* instead of the rather superficial commentaries that have increasingly become the hallmark of your regular political commentator. Let's hope that we can read more of Mr Gamlin.

Elena Lema
Press Attache
Embassy of Chile
Wellington

Other side of the coin

CONGRATULATIONS to reporter Warren Berryman on his exposure of the Alko-Frei promoters (NBR September 29 and October 6).

Franchising itself is an excellent marketing tool and many sound franchises are available.

International Franchising is currently working for some substantial clients (including a subsidiary of a major listed company). Potential business buyers will find in these franchises an opportunity to secure a future for themselves and their family.

Intending franchise purchasers should:

on East Coast Bays was an excellent example.

Jim Anderton
President
NZ Labour Party

• Discuss the proposal with their accountant and lawyer.

• Watch for rip-off merchants hiding behind PO box numbers;

• Be wary of false promises and any deal that promises fortune for nothing. If you want to make huge sums without working hard, a Gold Kiwi ticket — the odds are better;

• Never pay upfront money at the first meeting;

• Check the bona fides of promoters;

• Be sceptical of products which may only be fads.

Franchising can be highly profitable for investors and franchisors alike.

The moral of the story is to insist on full and proper disclosure, and take your time evaluating the proposal.

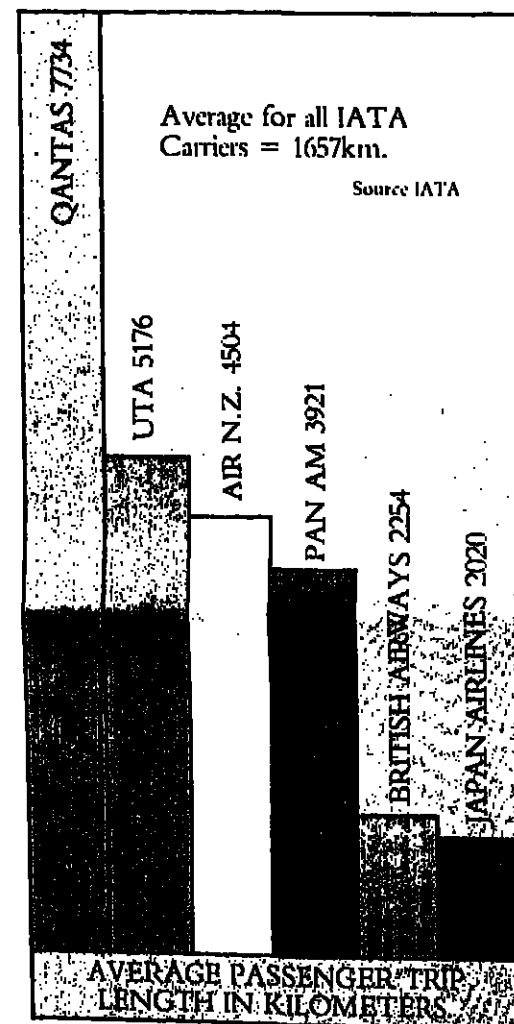
Gavin Holder
General Manager
International Franchise
Auckland

WHEN QANTAS TALKS LONG HAULPERTISE, IT'S NOT MUMBO JUMBO.

Qantas has unrivalled experience with long haul travel.

That means we can fly you comfortably and happily to work, across half a planet.

Qantas long haul expertise hasn't only come from the fact that we fly our passengers more than 2,500km further, on average, than our nearest competitor.



Developing that expertise was a matter of necessity for Qantas.

In earlier years, because on a continent as large as Australia, going anywhere was a long haul.

And today, because the geographic isolation of Australia from America and Europe forces Qantas to fly further than any other airline.

That's why, unlike other airlines, when Qantas talks long haul, it's not a lot of mumbo jumbo.

QANTAS GOES FURTHER WITH FIRST CLASS COMFORT.

If you have to fly half way round the world to get to work, you'll appreciate the extra comfort the world's "long haul" airline provides.

Qantas engineered a new First Class sleeper chair that is unequalled.

And when it comes to comfort, Qantas doesn't overlook the small things either.

Enjoy better sound with our new, lightweight, stereophonic headsets. They're fully padded and superbly comfortable.

Qantas First Class. First run movies. First rate food, drinks and service.

A class of comfort that's unparalleled.

THE WORLD'S FIRST TRUE BUSINESS CLASS.

Some airlines just take a part of their Economy Class and give it a special name. Qantas does more for the business traveller.

We'll seat you in a truly exclusive cabin, with bigger, more comfortable chairs.

You'll enjoy priority check-in and baggage handling, complimentary drinks and headsets, and a superior menu.

Politics

The end of the golden weather: Holyoake steps down for the last time

by Colin James

THEY farewell Sir Keith Holyoake on Thursday — nearly 50 years after he first went to Wellington as an MP.

Whatever you think of him, just to have been around that long, most of it as or within spitting distance of the top, is a monumental achievement.

Holyoake learnt early, as his successor once removed learnt last week, that survival can be a big enough problem on its own. In 1938 Labour's high tide put him out of the parliamentary swim. Five years out then cost him the chance of beating Sid Holland for the leadership, which could have profoundly affected the nature of the nascent National Party.

But, just as 30 years later the party was to turn to a strident, pugilistic destroyer when at a low ebb, so in the early 1940s Holland was probably more appropriate to building a "we can win" psychology.

It is perhaps instructive that Holland was less successful in government than opposition, his harsh, disorienting style — rapid decontrol, high inflation, union confrontation — putting the government nearly on the ropes by 1954 after only five years and out in 1957.

It was Holyoake who restored steady-as-you-go politics. The Holyoake years proper, the 1960s, were

years of open-ended expansion — hospitals, bridges, houses, big agricultural output increases, the first substantial manufactured exports, enough money to go round.

You might call it the cotton wool decade; aside from a bit of trouble over wool prices in 1967 and 1968, the only jarring notes were those of idealism, over Vietnam and the environment.

For that decade, Holyoake, the ultimate cotton wool politician, was ideally suited. The soothing intonations, the uninterrupted flow of skilful compromises reaching their apogee in the National Development Conference, spread so thick over the centre ground of politics that his opponents looked like urchins with peashooters.

The country was going nowhere, or, rather, nowhere in particular, but no one cared much. The soft-opinion country in the soft-opinion decade had its ideal Prime Minister in a man who saw his ambition in terms simply of holding power.

It has become fashionable to bemoan the wasted opportunities to "restructure" in the fat years. But the country itself gave the lie to that possibility: when it turned against Holyoake at the end of the decade, it was not to economic realism but the



Sir Keith... 50 years in the thick of it

candy-floss idealism of the Kirk Labour Government.

By 1970 Holyoake of the built-up shoes and the carefully elocuted voice was out of date. New Zealanders were ill at ease with a man they felt pompous and distant.

Both views were understandable, but wrong. Perhaps not since Seddon did a Prime Minister

have a more carefully tuned intelligence system for gauging grassroots attitudes.

And in private he had a puckish humour that bemused and delighted those who experienced it. Had he had more showmanship, he could have become an enduring popular figure.

But his style was low-key chairmanship. His feel for consensus — much maligned then but how wistfully longed for now — got the most out of strong ministers, but at the cost of a facelessness that eventually sealed his fate in 1972 just as in 1957 he had sealed Holland's with a tough ultimatum to party bosses.

He didn't lose his influence, though. His support is widely held to have been critical to the success of the coup against Sir John Marshall in 1974.

His reward came three years later with elevation to the Elysian fields of vice-regal impotence, perhaps the most controversial move of his career. A possibly apocryphal tale has it that as Prime Minister Holyoake used always to carry a copy of *The Republic of New Zealand Bill* when he went to see the Governor-General who got a bit towcy.

For the last three years it has been Holyoake's turn to say "yes, sir, no, sir" to his former protégé. What he has thought of the going-on of that gentleman I don't know. But a mighty lot of people look wistfully back on the Holyoake years.

Labour considers taking a professional approach

by Colin James

"LABOUR is strongest now in the South Island, home of dying parties," wrote Professor Robert Chapman after the 1960 election.

And so it still is. Labour people in search of spiritual sustenance find no better source than Christchurch, home of an extraordinary renaissance in the party and otherwise a city of gloom.

First it was the advent of three fine organisers — David Caygill, Ann Hercus and Mike Moore — in the 1978 parliamentary election, closely followed by Geoffrey Palmer in 1979.

Then it was a 16-4 win over Citizens in the local body elections last month.

Why? Mayor Hamish Hay, who survived the Labour tidal wave, put it down to a strong mood of dissatisfaction among Christchurch voters with the policies of the (National) Government and the fact that Labour was "a professional organisation" while his Citizens "were like a crowd of amateurs".

I don't propose to analyse the local body results in depth, partly because it would be a mammoth task and partly because in any case the operation of local factors, the significance of which is hard to gauge without good local knowledge, makes the drawing of lessons on a national scale a hazardous business.

About the most that it seemed safe to say last week was:

• That women continued their advance into the political infrastructure, slowly constructing the sort of base that alone will support equality at the top levels in politics.

• That Labour, at best, has no cause for excitement and at worst has cause for worry; one disquieting factor for Labour was the reasonable first-up showing by rate-cutting organisations or candidates in the Wellington region and the rate-cutting new mayor of Auckland, Colin Kay (who beat Labour's popular Cath Tizard) — a sort of tenuous local body parallel with Social Credit's national capitalisation on disillusionment.

Labour can take some consolation from the difficulty of improving on a good year — and 1977 was a good year. But, it seems, the breakthrough impact the party is looking for with Bill Rowling's rallies starting next week is not going to be won easily.

Which brings us back to Mayor Hay's remarks about organisation. The recognition has spread within Labour that it must organise better for 1981.

This is where Roger Douglas comes back in (maybe temporarily — his iconoclastic book is due for release next month). Douglas has been putting together an organisational strategy which last week looked well on the way to forming the basis of next year's effort.

As it emerged last week the plan rests on the need for concrete goals in membership, finance, percentage of the vote and electorate organisational structure for every electorate in the country.

The Douglas plan has five principal elements:

• The establishment of priorities among seats, which will be reviewed in the light of organisational performance, and the identification of seats with special needs.

• The setting up of a tight electorate organisation, with a pyramidical structure to diffuse responsibility, goal-oriented fund-raising and budgets and a regular reporting system on canvassing so that a national picture of support can be built up; and with a timetable by which to achieve the designated goals.

• Wide dissemination of key points from the leader's rallies through the party organisation to maximise word-of-mouth communication.

• A crash programme of fund-raising nationally from members early next year.

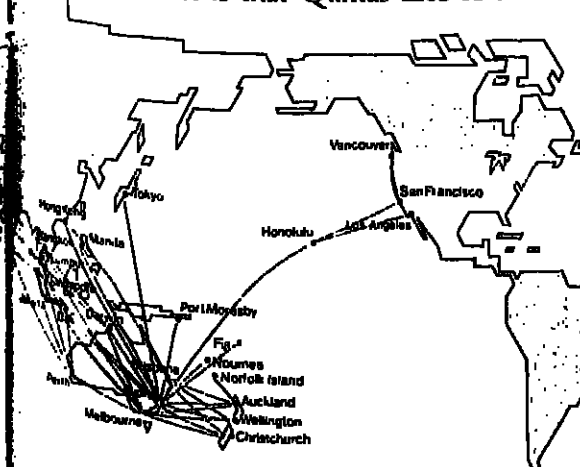
• Detailed electorate studies to identify potential points for exploitation.

Whether it will work has yet to be seen. Much will depend on how well the top brass sell it to electorates when they go round over the coming months. But it is better than the old hit-and-miss leave-it-to-the-locals style of uneven "organisation" that has bedevilled Labour in the past.

In fact, most airlines would be proud to call our Business Class First Class.

MORE FLIGHTS/MORE DESTINATIONS.

Qantas flies to the world's major cities. The fact is that Qantas flies to more



world destinations from Australia than any other airline, and trans-Tasman flights connect conveniently with most of these flights:

- 10 flights per week to London;
- 3 flights per week to Frankfurt;
- 4 flights per week to Athens;
- 3 flights per week to Rome;

- 2 flights per week to Amsterdam;
- 10 flights per week to Bahrain;
- 14 flights per week to Singapore;
- 3 flights per week to Hong Kong;
- 4 flights per week to Bangkok;
- 2 flights per week to Tokyo;
- 1 flight per week to Manila;
- 3 flights per week to Jakarta;
- 7 flights per week to San Francisco;
- 10 flights per week to Honolulu;
- and 3 flights per week to Los Angeles

THE QANTAS PUNCTUALITY RECORD.

Being on time is important to everyone. Especially Qantas.

Our ontime record is the envy of other airlines.

Whether you're going overseas on business, or pleasure, we'll get you there on time.

When Qantas talks long haul, it's not just a lot of mumbo jumbo.

Talk to your Qantas travel agent about flying with the world's true "long haul" airline.

QANTAS
the world's only all 747 airline

SAVE 30%

SUBSCRIBE TO NATIONAL BUSINESS REVIEW NOW.

When you subscribe to *National Business Review* you keep tabs — 48 weeks a year — on New Zealand politics, business, the money market, overseas trade, unions, transport and a score of other fields. The award-winning team of NBR journalists and correspondents — with their probing investigative features and first-with-the-news enterprise — have made *National Business Review* the liveliest, most-talked-about and most authoritative business, economic and political publication in New Zealand. News-stand price for *National Business Review* (\$38.40) and companion publication *NBR Outlook* (the twice-yearly special devoted to detailed analysis of important national issues) is \$43.40. Subscribe now for just \$30.00 — and save 30 per cent.

National Business Review / *NBR Outlook* cover price \$43.40 ... subscription price \$30.00.

To take advantage of the NBR subscription offer, simply fill in the Fourth Estate Subscription Service coupon elsewhere in this issue.

7. Mobil energy—working for New Zealand

The future starts now: a 2020 vision

In 20 years, the 20th century will have ended. New Zealanders, like people all over the world, will assess the most remarkable period of fundamental change in the whole of recorded history. The change will have been so profound as to affect the whole spectrum of human experience.

We sincerely believe that Government's agreement in principle to proceed with the Mobil Methanol-to-Gasoline (MTG) process, using Maui gas as feedstock will stand out as an historic landmark in a century of landmarks. And we're proud of our involvement with the Government in planning the project.

As we said at the outset of this series, New Zealand has reached a turning point on the road to a brighter energy future. But what will that future be like?

Let's take the year 2020 as a focal point. Where will New Zealand get its energy 40 years from now? How will New Zealanders use it?

Crude oil will still be important in 2020. The last few years have seen great advances in oil exploration and recovery techniques, including the use of space satellites to make exploration more fruitful. Drilling and lifting technology has come a long way too. The development of deep-sea platforms, for example, has allowed the production of oil from waters so deep as to be inaccessible in earlier days.

But the need for conservation and wise management will be even greater than it is today. Because oil does remain a finite resource.

And what goes for oil can also be said for the other fossil fuels, such as gas and coal. Unrenewable resources? Of course. But enough remains to make them a most important source of energy in 2020. Which is not to say these fossil fuels won't be used in new ways.

Mobil is already involved in a proposed partnership with Government and others to synthesise petrol from Maui natural gas, and in the U.S., the Government recently decided to budget \$20 billion for a comprehensive synthetic fuels development programme. The future of synthetic fuels is extremely bright, and New Zealand is in the forefront of its application.

By 2020, New Zealand will be reaping the benefits of a variety of energy resources. Together with synthesised gasoline, other fuels such as methanol, liquefied petroleum gas and compressed natural gas will power motor vehicles with engines markedly more fuel-efficient than today's models. And the Mobil process for converting methanol to petrol could one day even draw its feedstock from lignite coal, or perhaps from biomass, as well as from natural gas, and diesel fuel as well as petrol may be an end result of the process.

There are other options too.

Nuclear power may have assumed a greater role, through the environmentally clean principle of fusion.

And man may finally have learned how to create electricity from the sun on a meaningful scale, through the development of photovoltaic technology.

The sun, after all, beams enough energy at us in one hour to equal the amount the whole world uses in one year.

So prospects are as bright as they are varied. There will be ample fuel for transportation, commercial and private alike, and New Zealanders will continue to enjoy their personal freedom of mobility.

One thing more about 2020: You can rest assured that changes undreamed of today will continue to unfold. And that we'll be part of trying to harness those changes to produce a better standard of living for all.

Copies of this series of energy essays are available in bound booklet form. If you would like a copy, at no charge, please write to:

"Mobil Energy — Working for New Zealand" Public Affairs Department, Mobil Oil New Zealand Limited, P.O. Box 2497, WELLINGTON.

Mobil

Economics

Mexico holds promise for increasing trade

Economics Correspondent

MEXICO could become a major market for New Zealand's exports in the future. And, if Mexico balances up its purchases of our products with use, the potential exists for large gains in the standard of living of both countries.

The first seeds for the development of a trading relationship with Mexico have been cultivated by Prime Minister Rob Muldoon. An economic mission to Mexico City in early October put some lucrative trade deals in sight and talks began for developing a number of joint venture projects.

While Muldoon was having two sessions with Mexican President, Jose Lopez Portillo, 17 New Zealand business people and export industry leaders on the mission met with their counterparts on the powerful Mexican International Businessmen's Association.

Any deals struck could be the small beginnings of a growing relationship between the two countries.

Mexico is in the middle of an oil bonanza which is rapidly overtaking the high expectations the country had a few years ago. The rapid growth of the industry provides the opportunity for Mexico to develop its basic industries and there is potential to lift its rural poor out of a stark poverty.

To date, Mexico has the world's sixth largest proven oil reserves — at 40 billion barrels against Saudi Arabia's 167 billion barrels. In just two years, Mexico's known reserves have grown from 28 billion barrels to 40 billion barrels. And only about 10 per cent of the 2.5 million square kilometres of sedimentary land which could hold oil has been investigated. At the current rate of oil discovery, Mexico could easily surpass Saudi Arabia's lead with potential reserves estimated at over 300 billion barrels.

President Portillo and his economic advisers, conscious that there are dangers in producing and selling too much oil. They do not want to deplete their reserves to the advantage of other nations. They have programmed their industrial development plans so that oil, a non-renewable resource, can be converted into a permanent source of wealth and employment.

A ceiling of 2.25 million barrels of daily production has been set. Taking office in December 1976, Portillo said that this ceiling, likely to be reached this year, will not be breached during his presidency.

At that time, few could predict that known reserves would increase at such a rapid pace. Without announcing a change in the ceiling, observers think Portillo will let oil production slowly creep up to 4 million barrels a day by the mid-1980s. At this level, Mexico's exports are likely to become second only to Saudi Arabia's.

Oil export revenues should only surpass \$10 billion this year.

Portillo's worry is that oil revenue will boost prices in Mexico before local industry has a chance to get off the ground to provide jobs for the massive numbers of unemployed. While unemployment is officially listed at 19 per cent

Basic statistics			
	Mexico		New Zealand
Land area	1,972,547 sq km		268,704 sq km
Population — 1980	88.84 million		3.18 million
Population — 2000	132 million		3.84 million
Annual population growth	2.9 per cent		0.1 per cent
GNP (1978)	\$82 billion		\$16 billion
Inflation	37 per cent		18 per cent
Economic growth rate (1980)	8 per cent		4 per cent
Unemployment (official)	19 per cent		4 per cent
Trade from Mexico to New Zealand:	\$1.8 million (1979/80)		
Trade from New Zealand to Mexico:	\$21.7 million (1979/80)		
Currency:	1 Mexican Peso = 1 NZ dollar =		4.5 cents New Zealand 22 Pesos

— it is running at about 30 per cent in some areas — unofficial estimates put unemployment for the country at over half the workforce.

To deal with this problem, Mexican governments have tacitly encouraged the annual flight of around 500,000 illegal immigrants to the United States. More constructively, Portillo has introduced "alliance for production", a heavily funded, 10 point investment programme aimed at involving both government and private industry, that is supposed to create 600,000 new jobs by 1984. He is counting on oil to propel industrialisation and recognises that "with oil, we have our first historic opportunity, and it may be our only chance, to solve our economic and social problems".

The good news for New Zealand is that these industrialisation programmes could bring rapid growth in the real incomes of Mexicans. Already, there have been significant rises of around 3 per cent, for those lucky enough to have jobs.

Experience with developing markets has shown that as real incomes rise for relatively impoverished people, their propensity to consume agricultural products rises at an even faster rate. So, if Portillo is successful in managing oil production to improve the standard of living of his poor citizens, Mexico's demand for agricultural products could grow rapidly.

In 1980, Mexico's population stood at just under 87 million. While the annual rate of population growth has fallen during the 1970s, it still stands at nearly 3 per cent. Statisticians expect Mexico's population to reach 132 million by the year 2000. This population could consume a considerable amount of beef, lamb, butter, cheese and milk — the sorts of products New Zealand produces so efficiently.

New Zealand's trade with Mexico is already gaining rapidly. Our exports jumped from \$4.7 million in 1978/79 to \$21.7 million in 1979/80.

Dairy products make up the bulk of our exports. Last year, the Dairy Board sold 10,000 tonnes of skim milk powder and 1000 tonnes of anhydrous milkfat to the Mexicans, who are the world's largest milk recombiners. Our other exports include wool, hides and a small amount of meat.

According to Don Walker, a senior official in New Zealand's Washington Embassy, with responsibility for Mexican affairs, Mexico is just beginning to discover what we have to offer.

On the recent economic mission, Mexican officials

Germany, Sweden, Canada and Australia. The programmes include exchange of scientists, students and technicians and the pursuit of joint research projects.

Most (about 65 per cent) of our goods enter Mexico duty free, or at a preferential duty rate. The potential for sale of our agriculture products is great — only about 15 per cent of Mexico's land is suitable for cultivation. Most of this is farmed by huge agrarian businesses that produce tomatoes, eggplants, chick peas, strawberries and asparagus for the lucrative United States export market, rather than producing staples for the less profitable domestic market.

While our exports to Mexico have jumped ahead, our imports of Mexican products are still below \$2 million a year. It could be to our benefit if



Mexico made up this trade deficit by selling us some of its oil.

But a production ceiling of 2.25 million barrels a day means that Mexico's overseas sales are fully committed.

A more likely import prospect is phosphate to use in fertiliser production. New discoveries of phosphate in Baja, California are likely to come on tap in time to augment dwindling phosphate supplies from Ocean and Christmas Islands.



We can finance your sales

Don't let prospective jobs, contracts or sales slip through your fingers because your client doesn't have the money. Offer finance. Offering a Broadlands loan could be the difference between making the sale and losing it. And your client will have what he wants, now rather than later. Contact your

Broadlands Finance Limited
People for finance, finance for people

Broadlands Centre and find out how you can offer your clients finance. With a Broadlands Home Improvement or Personal Loan.

Broadlands Finance Limited
Private Bag, Auckland
Please tell me how I can make more sales.

Name

Company

Address

Phone

Bill to provide for greater level of credit disclosure

THE Statutes Revision Committee starts consideration of the Credit Contracts Bill today.

The bill revises the law relating to the provision of credit, repeals the 1980 Moneylenders Act and provides for a greater level of disclosure in credit contracts was the case under the Act.

The Contracts and Commercial Law Reform Committee produced a report in February 1977 urging a complete reform of the law in this area. Such is the speed with which politicians and bureaucrats work, that the Statutes Revision Committee is considering a bill in October 1980.

The Reform Committee, under the chairmanship of Colin Patterson (he who has gone to higher places), considered the Moneylenders Act was out of date, but took the view that there should still be comprehensive legislation controlling credit contracts.

The bill is designed to come into effect on August 1, 1981, but the Statutes Revision Committee is likely to receive submissions that the date be

postponed until some time in 1982.

The bill has to be considered, reported back to Parliament, passed as an Act, possibly with amendments, and reprinted. That process will probably take until early 1981, with the intervention of the great New Zealand close-down in December and January.

Then the Government has to prepare regulations fleshing out the legislation bones.

The finance industry will draw up new documents to comply with the amended law, and then circulated to staff. The companies' staff will require retraining in the law and documentation, and there will probably be a problem with existing computer programs.

The bill has important implications for the enormous credit industry. The High Court is given power to reopen any credit contract and to make orders in respect of the contract if it considers the

PETER VO'BRIEN comments on the financial and business week, appraises the share market and analyses the company accounts.

contract is "oppressive", or that a creditor is exercising rights in an oppressive manner.

A contract is "oppressive" if it is "oppressive" (amazing how they define words), "harsh, unjustly burdensome, unconscionable, or in contravention of acceptable standards of fair dealing".

The bill will affect several commercial practices which have been operating for years, and are well understood in the marketplace.

The first is the position of bank and finance house loans secured by a debenture or mortgage over the business. Under those "credit contracts", the lender has the right to move in immediately the debtor defaults.

The bill provides, in effect, that the debenture holder will have to wait 30 days before taking action, although the court has power to waive an "oppressive" presumption if it

under the contract, unless the holder proves that at the time he took the bill he was unaware of its having been drawn as part of, or pursuant to, such a contract.

Many accommodation bill lines issued in this country have a document which is the basis for which the bill is issued, and that document falls within the definition of a "credit contract".

The consequential amendment to the Bills of Exchange Act means that every buyer of a bill is expected to know whether the original document is an "oppressive contract", for example. The provision alters the market practice, where people work on the basis that they are dealing with reputable organisations, and if they have any doubts about that, or an organisation's financial strength, the rate and the buying and selling terms of the bill reflect the doubts.

This amendment is based on a majority view of the Reform Committee, which felt that if the transferee of a bill or note

was unable to discharge the onus of "proving that he was unaware that the bill was issued under a credit transaction, the drawer should be allowed to resist an action on the bill or note on the ground of the unconscionability of the credit transaction". One member opposed the view.

The Credit Contracts Bill was introduced to Parliament three weeks ago, and, while generally good law, its 49 sections deal with complicated matters in the finance field, although based mainly on the Reform Committee's report.

Because the report has been available since 1977 it may be thought that the short time space between the bill's publication and hearing submissions is unimportant, but the bill spells out the details and needs careful examination. Its draft bill was either attached to the report, or circulated separately, a lot of concentrated hard work would have been saved in recent weeks.

Analysing accounts: Montana Wines

MONTANA Wines Ltd should include a statement of its carried forward taxation benefits in the annual report.

Last year the company said it expected 1980 net profit to be in line with the 1979 figure after allowance for "some tax liability".

The 1980 report, released last week, shows an increase of \$971,775 (27.15 per cent) to \$4,473,999, both figures before extraordinary items. The company has no tax liability.

Under "taxation" in the notes to the accounts, the group says: "In view of existing taxation incentives together with tax losses brought forward, no taxation is currently payable on the group's profit for the year."

The group does not apply an effect accounting as it is considered, having regard to planned future operations, and in the absence of changes in tax legislation, the benefit of tax saving differences will continue in the foreseeable future.

What is the amount involved in the incentives and carried forward losses? How long are

they likely to last on the basis of the amount at June 30 1980?

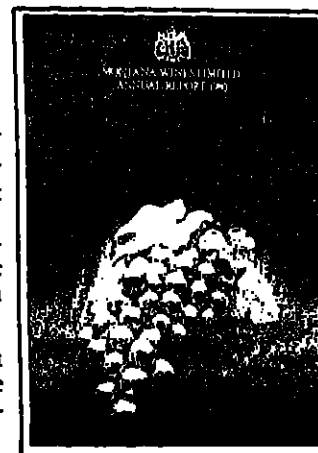
The company probably thinks that net profit is the key figure for report readers, but they need more information if they are thinking of taking, or increasing, an investment stake.

The report shows the company earned 37.3c for each 50c share last year, compared with 29.2c in 1979.

The shares sold at \$1.66 last week, and at that price they are 4.45 times historic earnings — hardly an excessive multiple.

But, if Montana moves into a tax situation, net profit will come under pressure, and the multiple will rise. Investors need some information to assess the likely future tax liability.

A theoretical example shows the point. Assuming Montana had a 45 per cent tax liability on operating profit in 1979-80, net profit before an extraordinary exchange loss would have been \$2,461,000 and after deduction of the exchange loss, it would have been \$2,379,250.



That is an earning rate of 19.82c on the 50c units, and at \$1.66 the price earnings multiple rises to 8.37, a rather different base from which to make an investment decision.

The company will take time to reach a 45 per cent tax liability, even when it does contribute to Inland Revenue, but shareholders and potential investors need an indication of when that may be.

A nil tax liability also assists the company to finance the

business, on the basis of the relationship between cash flow (net cash profit from all sources plus depreciation) to total assets. This year the relationship is 18.32 per cent, compared with 21.68 per cent in 1979, the decline due mainly to higher investment in stock arising from the volume of the 1980 vintage, and additional investment in plant, fittings and vehicles.

If a 45 per cent tax liability is applied to the operating profit, the relationship of cash flow to total assets drops to 11.17 per cent, compared with 9.82 per cent in 1979. The change comes from higher depreciation in the June 1980 year (increased from \$394,951 to \$682,781, both figures net of amounts capitalised to vineyard development).

The returns are still good after applying a full corporate tax liability, but calculating them shows the impact of taxation.

The rest of the report is informative, including a costs

breakdown which shows a decline in the proportion of the sales dollar going to materials "and other manufacturing costs", and to salaries and wages. "Operating costs" increased slightly as a proportion of the sales dollar, from 19.8 per cent to 20.3 per cent. The decline in the manufacturing and wages costs relates to a 20 per cent rise in sales volume (the dollar sales increase was 23 per cent, compared with a rise of 20.4 per cent in total costs before striking operating profit).

Montana's substantial investment over the years in plant, vineyards and people is paying off in higher productivity from the facilities, as the company harvests larger quantities of grapes and gets greater throughput in its manufacturing and maturing plant.

A rise in stocks matched the year's sales volume increase, with the company having to increase its short term advances by \$1.1 million, and bank overdraft by \$373,000, to cope with a \$1.3 million jump in



Sir Geoffrey Roberts... tax questions

stock value of maturing wine and a \$554,000 movement in bottled wine stock.

Chairman, Sir Geoffrey Roberts, explains the movements adequately in his review with the accounts, but he could have said more about the future for taxation, apart from: "A provision for taxation of \$300,000 was made in the accounts for the six months ended 31 December, 1979. However, as a result of taxation incentives and other adjustments made at year end no tax is payable on profits for the year under review."

Who cleans up?



Electrolux Cleaning Services!

While the world sleeps, Electrolux Cleaning Services is quietly and effectively at work.

In situations like those above, in 16 countries some 20,000 Electrolux employees are at work cleaning office blocks, shopping complexes, hospitals, warehouses, restaurants, air terminals, computer centres and commercial and institutional premises of all kinds. It's a big job and behind it all is 35 years of experience which has given Electrolux the most efficient work methods and the most sophisticated and reliable commercial cleaning equipment in the business.

Whatever your commercial cleaning needs; Electrolux Cleaning Services can handle them.

Don't just take our word for it
Throughout New Zealand you can see our work in action... in fact, you probably do every day without even knowing it. Amongst our customers are:

- The Bank of New Zealand
- General Motors
- Ford Motor Company
- Huntly Power Project
- Ellerslie Racecourse
- Comalco
- Griffins
- Port Dorset Military Camp
- Felix Industries
- Mercury Theatre
- Kings College

Internationally we 'Clean Up' in:
Australia, Japan, Singapore, Hong Kong, Sweden, Brazil, Finland, Colombia, U.S.A., Saudi Arabia, The Philippines, Thailand, Spain, The Dominican Republic and Malaysia. We'd like the opportunity to talk with you about your cleaning requirements. We're happy to share our experience to plan a programme that's within your budget, and meets all of your requirements. Why not telephone, or mail the coupon today for further information on how we can help you to "Clean Up" too! We'll show you how inexpensive efficient cleaning can be!

Electrolux Cleaning Services

AUCKLAND: 75 Mt Eden Rd. Telephone 778-269
WELLINGTON: 12 College St. Telephone 847-627
(Send in several copies.)
Please have a representative call on me

Name _____
Address _____
Occupation _____
Signature _____

Sharemarket statis break

THE sharemarket broke out of its static phase last week, as buyers pushed up high yielding leaders and second line companies.

Turnover has been comparatively low, so the upward trend may result partly from a scrip shortage. The demand for additional equity capital is increasing, with several companies announcing cash issues. They will draw a sizeable amount from investors until Christmas.

The Fletcher issue is the year's big one, but Goodman Group and Golden Bay Cement are also approaching shareholders for ordinary capital and other companies are

calling for specified preferential shares.

Goodman's one for four issue at a premium of \$1.50 is attractive. Existing shareholders will obtain their new shares at a dividend yield of 10.5 per cent, assuming that the increase in interim dividend means an annual payment of 21 cents a share.

Last week the shares sold at \$2.65, and therefore have a theoretical ex rights price of \$2.52. The rights value is \$2.52 before taking off the dividend difference of 15c, the latter being the 9c interim dividend and one half of the final for the year to March 1981.

FOURTH ESTATE SUBSCRIPTION SERVICE

To subscribe to or purchase any of the newspapers, directories or books published by the Fourth Estate Group simply fill in and post the coupon below. Please make out cheques as indicated. If two different companies are indicated for multiple purchases, please make out cheque to Fourth Estate Group, P.O. Box 9344, Wellington.

(Please insert where appropriate)

☐ I/We enclose \$30.00 for one year's subscription to *National Business Review*. ☐ Please bill me.

☐ Please send me more information about the *National Business Review* VIP Subscription Scheme for companies.

☐ I/We enclose \$65.00 for one year's subscription to *The Capital Letter*. ☐ Please bill me.

☐ I/We enclose \$5.00 per copy plus 40 cents postage for _____ copy/ies of *The Computer Book*.

☐ I/We enclose \$8.00 per copy post free for _____ copy/ies of *The Money Book*.

Name _____
Address _____
Occupation _____
Signature _____

as buyers push yielders

The dividend yield at \$2.52 is 8.33 per cent, similar to that available on the company's previous cash issue.

Golden Bay Cement is in the unfortunate situation of issuing new shares at par when the market price is below par. The offer to shareholders arises from the reorganisation of Golden Bay and Wilsons (NZ) Portland Cement.

Golden Bay's private shareholders are being asked to contribute about \$2 million of the \$12.5 million equity content in the deal. (Total investment will be about \$35 million.)

The company has a safeguard if shareholders decline the offer, because Blue Circle Industries, which will invest more than \$9 million in the project, has agreed to take up any shortfall in the offer.

A special meeting of Golden Bay shareholders last week heard an optimistic medium term forecast from chairman Alex Paterson, but analysis of his comments shows that the cement industry is unlikely to enjoy real growth for some years.

Paterson said the combined paid profits of the enlarged Golden Bay group "are expected to continue to about the present level of \$3 million through to the end of 1981. During that period the company expects to maintain the present annual dividend of 12 per cent. But we are looking towards doubling our profits when the converted Portland plant comes on stream in 1982."

If the company earns \$3 million in each of the two years ended December 1980 and 1981, the return on each 50c share will be 6.34c, based on the net capital of \$23.6 million. A 12 per cent dividend (6c a share) would be covered 1.05 times.

If the share price stays around 50c, the price/earnings multiple would be 7.88. That is a hefty multiple for a company with a dividend cover of 1.05. At the end of 1982, which is 26 months down the track, the company expects to earn

12.68c a share, and would then have a dividend cover of 2.11. A cover of at least 2 is usually considered the minimum for any industrial group, given the impact of inflation on the business, and the need to ploughback profit just to maintain existing momentum.

Those figures illustrate the need to proceed with the proposed reorganisation. Once again we see the private sector "restructuring" part of the economy, while the Government and officials write reports, hold hearings, make "policy decisions" and spend a long time on matters which individual companies decide in weeks or months.

A "background" issued at last week's Golden Bay meeting said that the decline in cement consumption to around 745,000 tonnes in 1980 represents less than 50 per cent utilisation of capital intensive plant capacity.

"Company predictions of demand during the later part of this decade show demand should reach levels of about 900,000 tonnes per year." If 745,000 tonnes is 50 per cent of capacity, 900,000 tonnes is 60 per cent (assuming total industry capacity of 1.5 million tonnes a year).

Cement is a vital industry, and it is essential that its profitability be maintained even in recessionary times. The Golden Bay proposal has merit, but the shareholders will have to wait for better times.

The search for high yielding companies with tax free dividends resulted in several price adjustments last week, but the big movement came from Tasman. The shares jumped 30c in two days on low turnover, because there are few shares available to the general public. The company is due to report soon for the six months to September and is expected to show a profit between \$20 million and \$25 million.

That will keep the market, Fletcher Holdings, and Challenge Corporation happy.

NOTE: The writer neither owns nor has a beneficial interest in any of the securities discussed here.



Today's car prices make Avis leasing the only sensible alternative.

For companies and self-employed professional people, leasing a vehicle through Avis may actually cost less than owning and running the same vehicle yourself.

There are many basic reasons for this: Firstly, in most cases all lease payments for business vehicles are fully tax deductible. Generally, ownership does not offer this benefit.

Secondly, Avis leasing means your valuable capital isn't tied up in vehicles and can be invested

instead in profit-bearing assets such as new plant or stock. Avis leasing also reduces the impact of inflation because your transport costs are fixed for the whole period and your monthly payments are made in dollars of decreasing value.

Whether you need one vehicle or an entire fleet, talk to Avis first. Our consultants will be only too pleased to call and help you evaluate leasing versus buying based on your specific circumstances — at no cost and no obligation.

Here's how Avis Leasing saves you time and money

1. Your choice of "finance only" or "full maintenance" leases. With full maintenance leases, all servicing / repairs etc. are included in the lease. Under both plans all lease payments in most cases, are fully tax deductible.
2. Avis leasing means you can have that new car now, possibly saving maintenance costs on your current vehicle. An Avis lease also saves you administration time because car purchase and sale problems are removed as are the burdens of day to day cost control.
3. Avis will lease virtually any make or model of vehicle even small trucks and vans.
4. Avis leasing means easy vehicle renewal. Before the lease expires, Avis will advise you of any new models suitable for your fleet. At changeover time, you simply drive in the old and drive away the new.
5. Leasing through Avis moves fleet management responsibility out of the company into specialist hands. And because Avis is New Zealand's largest private fleet operator, we have the expertise to advise you on the most cost-effective vehicle to suit your specific needs.
6. An Avis lease won't require you to draw upon your credit line because Avis leasing acts as an independent source of capital.
7. As an Avis lease customer, you have access to New Zealand-wide back-up service. You are also entitled to a substantial discount on temporary car hire should the need ever arise. Also, if required, we'll send you our Avis Wizard Card which assures speedy, preferential service when you hire from Avis' rental division.

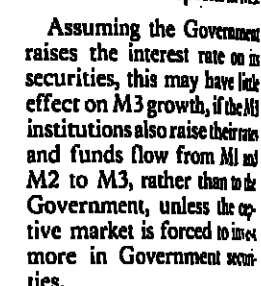
Ph Auckland Collect 572-165
or write to P.O. Box 14-256, Auckland.

This leasing service is provided by Mutual Rental Finance Limited — a member of the Mutual Group of Companies.

AVIS CAR LEASING

Bank finds right aggregates for monetary targets

- Whether the public announcement of monetary tar-



They include "LPT" (total

"MI" is the narrowly

The paper concludes:

The arguments, and analysis of unfamiliar economic indicators may seem esoteric to people who make "practical" decisions daily in the private

Although it was outside the paper's brief, it would be interesting to see an examination of the inflation/money supply/interest rate "chicken and egg" process.

There is obviously some connection between these three economic indicators, but, given the state of the debate between monetarists, "neo-monetarists" (assuming we now lump some of them) and other economists, it may be too soon to hope for anything more than a tentative statement.

The paper can be obtained from the Reserve Bank. If you are not well up on economics, it would be better to skip the tables, although the paper (and the words of chief economist Ross Deane's preface) is "keeping a minimum of the economist's detail".

BEACH PETER, 50C
BING HARRIS, 50C
B.N.P. FINANCE
BRIDGEWALK, 50C
BRYANLEY, 50C
12.5% SPEC PR
BOS, 50C
B.N.P., 200C
BROTHER, 50C

BURNING 250L
MURKES CAT., 50C
C.F.B.
7-72 "A" PR
52 "B" PR
10X CONV PR
C.F.C.A.
11X CONV PR
C.F.N.
12X CONV PR
CANT.FLOUR
CANT.TIMBER
12X CONV PR
CAPITAL RADIO, 25C
CAPITAL LIFE, 50C
CARBONATE 12C

CANTER HOLT
CERAMCO
122 CONV PR
CHALLENGE
16X CON PREF
CHEMERY
CH'CH GAS
CH'CH PRESS
CITY REALTIES, 10C
CLOVE GROUP
122 CONV PR
COLLINGWOOD, 50C
132 CONV PR
COLNOTOR

218	218
67	67
275	275
170	175
390	393
---	---
52	52
2060	2060
70	70

90	90
160	...
222	235
...	...
...	...
195	195
205	205
168	...
250	250
170	170
220	...
315	315
290	290
145	...
70	...

338	338
201	201
104	104
312	312
316	316
150	150
200	...
275	275
36	36
98	98
90	...
35	35
34	...
185	185

...	0	14
66	14200	LANE
275	3000	L.B.
170	14800	9.
385	36000	CO
...	0	LEYL
52	7100	LION
050	1880	10
70	200	12

90	11100	LERN
222	0	LUSTI
	14300	MAIN
	0	15
195	2400	MAIR
205	0	11
	500	MANA
250	0	MAHT
170	19200	MAHA
	2100	NCAL
	0	NCAL
510	8700	NCKE
290	300	NIDL
	0	11
	0	NIN
	0	0000

315	33300	12	
196	20900	MONT	
103	1900	M-P	
307	51800	11	
311	14400	13	
150	2400	MOTO	
...	0	12	
275	500	MOTO	
36	1000	5-	
98	1200	11	
...	0	NSZ	
35	6300	12	
...	0	MT. C	
308	5800	M. T.	

OFFIN,50C
 CONV PR
 50C
 ATHAN
 R CONV OFBS
 Y PR
 NO,50C
 50C
 CONV PR
 CONV PR

```

DIL,50C
DOLD
EAL CORP,50C
CONV PR
50C
CONV PR
ATU,50C
EL
INE,50C
WHIE
ND
CONV PR
RESOURCES,20C
00000000000000000000

```

CONV PR
NA,50C
M.
CONV NTS
CONV PR
HOLDB.,50C
SX PR
TRAD.,50C
K PR
SX CONV PR
ORPN,50C
CONV PR
OK
HOLDB.,50C

88	110	108
85	87	85
43	43	43
87	187	180
65	165	165
68	170	165
112	112	112
103	103	99
92	92	88
81	81	79

37	37	35	1
885	385	385	
22	122	120	
70	70	50	
194	200	194	
152	---	---	
110	---	---	
155	155	150	
275	275	265	
77	78	77	
218	218	218	
220	220	215	1
85	190	185	
80	95	80	1
---	---	---	

58	58	58	
65	166	160	2
95	195	195	
200	
3	
140	145	139	2
...	
62	62	60	
46	
50	50	50	
95	100	93	1
100	100	100	
160	162	160	
675	675	675	

400	0.1% CONV PR
000	12% CONV PR
800	15% CONV PR
200	UNITED STEA
200	5.5% P4
700	UNITED FLDG
200	UNITED PUBLIS
900	VACATION, 50C
900	12% CONV PR
200	12.5% CONV

700	WAITAWI-NZP
200	11.52 CONV
2400	12% OFPS
100	WALKER R HAL
600	WATITE-7C
0	17.52 CONV
0	WELGAS
700	WELKINS F DA
2100	5.75-7.52
0	W.JEFFERY
6600	12% CONV F
6600	WELSON & HOF
6600	WELSON DISTILL
0000	WELSON WETILL
0	12% CONV PR
0	WELSON WETILL

400	17X CONV PR
200	W'MTHS (NZ) P
600	5.75X PR
0	W'MTHS AUST,
0	MOFFALD
100	5-7.5X PR
0	W.R. CARPENTER
300	W. SUTHERLAND
0	
600	
200	
300	
800	
600	

	115
	84
SHIP	58
	32
	78
	100
ING, SOC	220
	57
	50
DB	67

	191
OR	150
	165
	450
	125
PR	77
	475
ITES	210
R	50
	110
ON	110
CLERS	357
	88
	122
	160
	7

2000, 2000	51
500	72
	68
	239
	270
	100
500	254
	130

84	84	1100
58	58	1200
---	---	0
---	---	0
100	100	100
---	---	0
57	56	17500
56	50	2300
60	60	100

197	192	47200
150	143	3400
---	---	0
450	450	400
132	122	19000
---	---	0
475	475	350
210	210	300
---	---	0
140	110	500
---	---	0
352	350	4300
---	---	0
124	122	25500
140	140	100

51	51	37200
---	---	0
68	68	200
---	---	0
---	---	0
---	---	0
---	---	0
---	---	0

N.Z.I. Securities Ltd.

EXPORT FINANCE
IMPORT FINANCE
LOCAL TRADE FINANCE
THIRD COUNTRY TRADE
CURRENCY SETTLEMENTS
SERVICING OF TRADE
ADVISORY SERVICES

FOURTH ESTATE SUBSCRIPTION SERVICE

To subscribe to or purchase any of the newspapers, directories or books published by the Fourth Estate Group simply fill in and post the coupon below. Please make out cheques as indicated. If two different companies are indicated for multiple purchases, please make out cheque to Fourth Estate Group.

P O Box 9844, Wellington.

(Please ✓ where appropriate)

☐ I/we enclose \$30.00 for one year's subscription to *National Business Review*. ☐ Please bill me/us.

☐ Please send me more information about the *National Business Review* VIP Subscription Scheme for companies.

☐ I/we enclose \$65.00 for one year's subscription to *The Capital Letter*. ☐ Please bill me/us.

☐ I/we enclose \$6.00 per copy plus 40 cents postage for copies of *The Computer Book*.

☐ I/we enclose \$6.00 per copy post free for copies of *The Money Book*.

Name
Address
Occupation

PROGENI

Friendly Computer Systems to
meet your needs exactly
AUCKLAND 796-977 - WELLINGTON 720-920
also at Sydney, Melbourne & Los Angeles

Collier Fletcher Ltd MREINZ
For all your office — warehouse — factory needs
PROPERTY MANAGEMENT & CONSULTANCY
Auckland 33-508, Wellington 723-529,
Christchurch 798-521, and 15 offices in New Zealand,
Australia, Hong Kong and Singapore

R. A. JARDEN & CO.
STOCK AND SHAREBROKERS
Members of the Wellington Stock Exchange

9th Floor B.P. House
Cnr Waring Taylor St &
Customhouse Quay,
Wellington, New Zealand

Telephones 736-860.
Box 3394, CPO Wellington 1
Telex N.Z. 3567
Cables: Portfolio, Wellington

Power seekers cast net for hens, fowls and friends

by Rufus Wallingford

HIDDEN in a bill aimed at restructuring the administration of the egg industry is a blatant grab for more power.

The egg production side of the poultry industry is tightly controlled by two bodies - the Poultry Board and the Egg Marketing Authority.

If the Poultry Board Bill, which merges these two bodies, goes ahead as drafted, it could mean the quite separate chicken meat industry will also be subject to control by Wellington-based bureaucrats.

The key to the power grab lies in the definition of poultry:

previously the legislation defined poultry as "hens and ducks not less than five months old" but under the new bill this has been changed to "any domestic fowls or domestic ducks of any age".

The difference is vital because fowls raised for egg production only come into lay around the five month mark, while meat chickens are ready for slaughter at five to six weeks.

Just to make sure there is no doubt about the matter, the new bill goes on to define poultry product as "any product produced by or derived from poultry including the meat or other parts of



Poultry products... come of age

poultry, any eggs or egg product, or any laying bird".

And under the powers and functions of the proposed

reconstituted board it is given specific and separate authority for eggs and its products, and poultry and its products.

Not only is there power to "assist, develop and promote efficiency in production, marketing and distribution of poultry and poultry products" the new board is also given "... all such powers as may be reasonably necessary to... devise, promote and carry out, by such means as commend themselves to the board, measures for the improvement in the methods of producing, marketing, and distributing poultry and poultry products in New Zealand and elsewhere".

Coming from a Government that has pledged itself to get rid of controls, the bill makes strange reading. Apart

from hygiene requirements, processing, the chicken meat industry lives or dies by its markets and has proved successful in expanding its market by rising prices for meats.

In addition the government board/EMA has had questionable success in the marketing of eggs and - according to some critics - has scant regard to quality standards.

Detailed provisions laid down for producers in the 1960s, did much to improve egg quality standards in use. Since the administration of licensing of laying birds in 1970, they have been improved.

The Consumers Institute carried out two surveys two years ago checking the quality of eggs bought from shops and farms and the results of each survey showed that eggs were not as fresh as they could and should have been.

Confirming this view, at a time when petrol prices are large in consumer calculations are the number of people who drive to farms to buy eggs.

Casual inquiries show that on-farm purchases are motivated mainly by considerations of quality, with the additional benefit of a saving of a few cents a dozen being so much in second place.

A further irony lies in the personalities involved - Alfred James Woodhouse Harvey, who is not chairman of the poultry board/EMA, but also chairman of the board of Temco - formerly a co-operative but now a wholly-owned subsidiary of Arthur Yates and Co.

The managing director of the rapidly expanding sea-based conglomerate, P. Yates, has said: "Let us hope that before it is too late, we return to a philosophy of minimum government intervention and involvement, maximum competitive enterprise and self-sufficiency" (NBR, August 11 1980).

How Harvey, as chairman of the producer board, wants almost total control over the chicken meat business will reconcile that position with the free-enterprise views of his boss remains to be seen.

It is no secret that Temco's feed mill and associated chicken operation was one of the main attractions to Yates when it outbid Allied Farmers for the takeover price. The attraction of the stockfood mill has since been enhanced by Yates' purchase of Watson poultry processor, Clifton Park.

The Yates involvement in chicken is relatively small - the major opposition will come from General Foods Poultry and Golden Coast.

The prospect of a major vote of the Waititi food empire, meekly accepting direct control from Wellington is as dim as the sun in a polar winter.

Merging the present authority and board makes sense. Controls on egg production are accepted by the Government, but the powers proposed for the new board over any and every aspect of farming birds are much too awesome.

October 20, 1980

October 20, 1980

National Business Review

Page 17

Blueprint seeks rationalisation of consumer laws

by Jack Hodder

EARLIER this month, Lance Adams-Schneider, Trade and Industry Minister, released a report recommending a thorough rationalisation of commercial and consumer laws. The report, from the working party reviewing certain consumer and commercial legislation, is entitled *Proposals for a Selling Practices Act*, dated July 1980 (which means the Minister pondered it for three months) and represents over two years of work.

The report quickly makes the point that there is much "consumer legislation" about - and that there is a great need for its reduction, consolidation and simplification. NBR readers are unlikely to disagree.

In fact there are almost two separate generations of consumer laws. The earlier generation, represented by the Sale of Goods Act and legislation on weights and measures, may not have been seen as exclusively designed for consumer protection.

The later generation, dating from a time when New Zealanders still considered themselves affluent, is represented by the Consumer Council and Consumer Information Acts of 1969, the Layby Sales Act 1971 and the Unsolicited Goods and Services Act 1974.

In addition there are dozens of regulatory statutes which have a consumer protection aspect. (The report even refers to the restrictions on advertising by lawyers, although that cannot be regarded as a consumer protection matter without a leap of the imagination for which lawyers at least are ill-equipped.)

The long term legal blueprint for commerce and consumer transactions envisaged by the working party would comprise three major statutes:

- The Commerce Act focussing on competition and restrictive trade practices.

- A Selling Practices Act governing the rights and obligations in individual transactions; ultimately consolidating the Sale of Goods, Consumer Information, Door to Door Sales, Layby Sales, and Unsolicited Goods and Services Act;

- A Consumer Credit Act governing the credit aspects of such transactions; presumably consolidating the Hire Purchase Act and regulations and the Government's new Credit Contracts Bill.

The report warns against piecemeal, specific legislation and recognises that, with continual change in the marketplace, the law should not be too detailed but "should generally attempt to establish a broad environment within which fair trading will occur without undue interference".

Such an environment is seen as coming from voluntary codes of fair practice drawn up by the traders concerned in consultation with the Consumers' Institute.

The Consumers' Institute, handsomely cited as "an organisation which has avoided the temptation to build itself into an unwieldy bureaucratic body", was well represented in the working party's exercise with its director, Dick Smith, a member, and deputy director, David Russell, earning a vote of thanks in the report.

The working party's short-term recommendation is for a

Selling Practices Act which would:

- Replace the present Consumer Information, Merchandise Marks, and Wool Labelling Acts;

- Incorporate principles from Britain's Trade Descriptions Act;

- Update provisions for the labelling and marking of goods;

- Require judicial notice to be taken of Codes of Fair Trading;

- Allow aggrieved individual consumers to "take legal action in pursuit of their rights".

In releasing the report, Adams-Schneider stated that the "main proposals" would be embodied in a Bill which he

hoped to introduce this year for recess study by a select committee.

But, despite the title of the report, Adams-Schneider will call his Bill the Trade Descriptions Bill. (Another example of that unpredictable ministerial touch which left the Commerce Commission's bankcard recommendation suspended in mid-air?)

The working party's report is quite short and suffers badly from a lack of detail and the absence of a draft Bill (in contrast to the reports emanating from the various permanent law reform committees: see NBR, September 8).

Indeed, the whole report is rather vague on the critical

question of enforcement of consumer laws. The problem is that the civil law remedies (actions for damages by individual consumers) are often not used because of the cost and general hassle of going to court; this in turn means that the courts do not get the opportunity to clarify the often bald terms of the legislation.

On the other hand, criminal remedies (prosecution, conviction and fines), although enforced by public officials at public expense, antagonise traders who detest being hauled up as criminals (especially when many consumer laws do not allow a defence based on lack of criminal intent).

Enforcement is also a problem with the proposed Codes of Fair Practice. The report does not say whether it envisages these codes would include conciliation and arbitration provisions.

Nor does it say what happens to persons who do not belong to a trade association or who operate in areas where there is no association.

The New Zealand consumer laws have long been plagued by administrative divisions of responsibility between the Departments of Justice and Trade and Industry.

It seems reasonably clear that, if the long-term blueprint of the working party is to come about, consumer protection

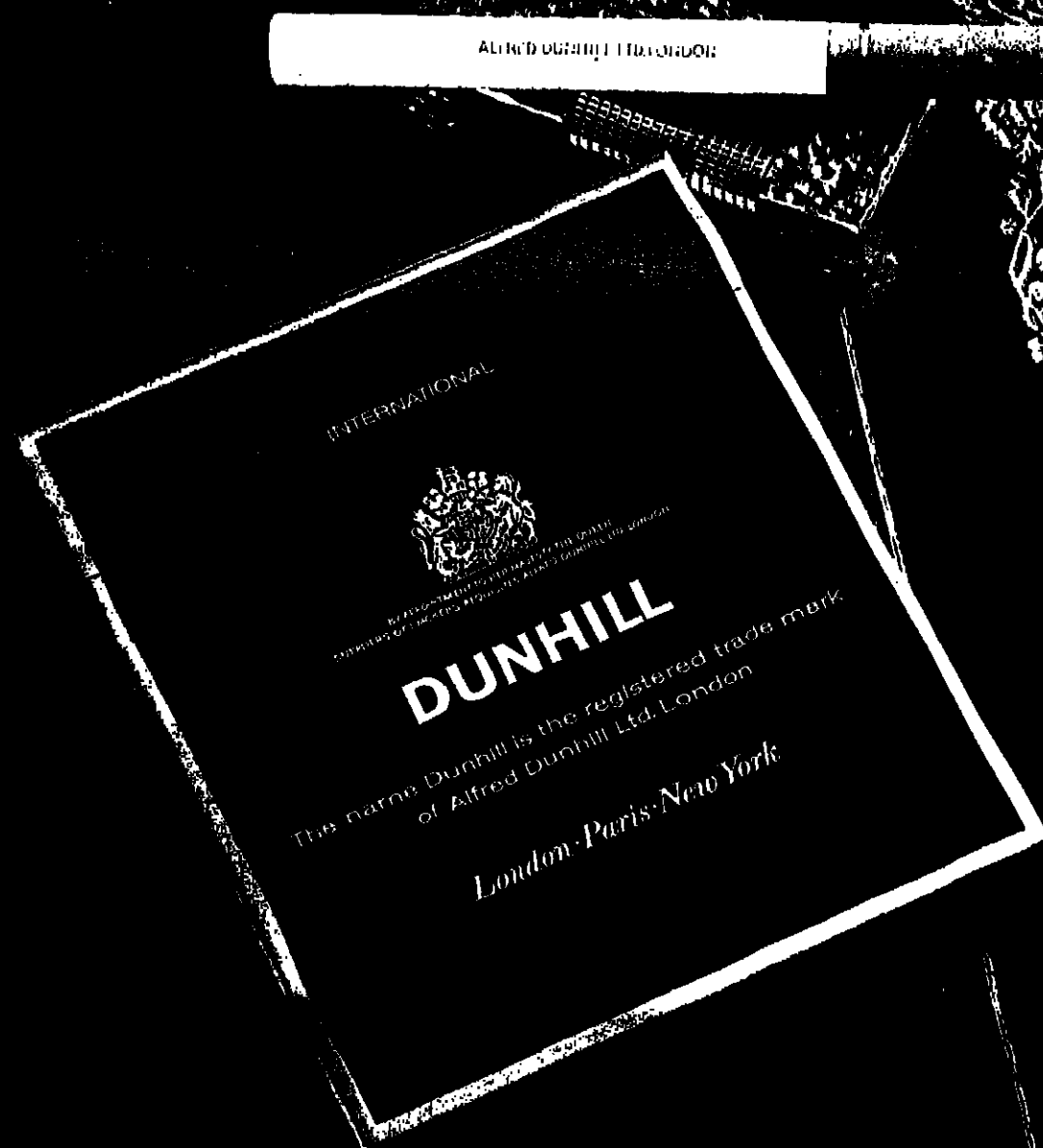
legislation currently administered by Justice should be transferred over to Trade and Industry Consumer Affairs Division.

The immediate consequences of this administrative division is that while the working party (directed by the Minister of Trade and Industry) has covered some consumer protection ground, the Contracts and Commercial Law Reform Committee (in the Minister of Justice's realm) has been looking at the Sale of Goods Act.

A little co-ordination would not go astray.

*See *Barrie, Laws and Codes for Consumer*, (1980) *Jul Bus Law* 315.

Internationally acknowledged
to be the finest cigarette in the world

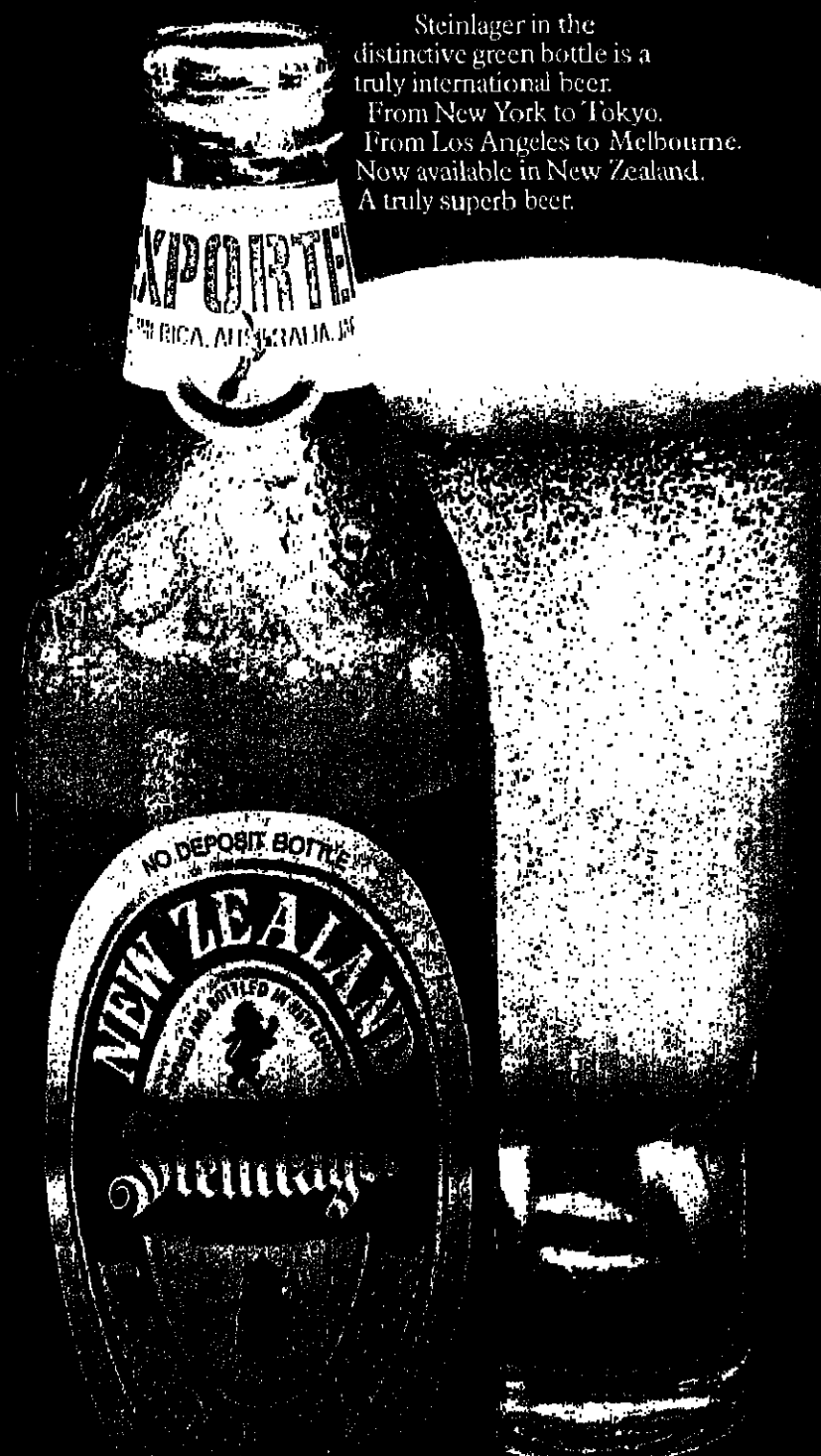


dunhill

The most distinguished tobacco house in the world.

Government warning: smoking can endanger health.
Middle Tar

The International Award Winner.
Now available in New Zealand.



Steinlager in the distinctive green bottle is a truly international beer. From New York to Tokyo. From Los Angeles to Melbourne. Now available in New Zealand. A truly superb beer.

Steinlager Winner of 'Les Amis du Vin' Awards 1977 1978 1979 1980

What Ogilvy & Mather told us about direct mail advertising

Case Study Number One

We asked Ogilvy & Mather (New Zealand) Limited to tell us about one of their recent Direct Mail campaigns. We requested a Case Study from this advertising agency (the local branch of an international agency who have made use of Direct Mail to sell products ranging from one-dollar packets of seed to seven-hundred-and-fifty-thousand-dollar jet aircraft) because Direct Mail is an advertising medium where experience and specialist skills can make the difference between moderate results and excellent results.

When to Use Direct Mail:

Ogilvy & Mather handles the Monsanto Chemicals account. The key brand is a superior herbicide—Roundup. The product is safe and very effective against most weeds. As such it is ideal for use in market gardens.

The Marketing Situation:

After extensive trials the product was approved for application by the Agricultural Chemicals Board at a lower application rate, which meant a correspondingly significant drop in the cost of application. Monsanto needed to alert market gardeners to the change and firmly point out the new competitive cost per hectare.

The Target Market:

Market gardeners in the Pukekohe area. (Ogilvy & Mather research indicated that this group accounts for approximately 70% of the vegetable production in New Zealand, the growers number 190 in the district and they work 2,450 hectares of land.)

Media Options:

With a low budget and a precise target audience all other media had to be excluded as being cost-inefficient and wasteful.



Local press was an option but a circulation of 31,000 meant high wastage.

Direct Mail made it possible to reach 177 of the 190 market gardeners by personally addressed Direct Mail, a guaranteed reach of 93% at a quarter of the cost of the next best media option.

The Results:

The Monsanto sales force and the product's local distributors reported substantial awareness of the new cost effectiveness of Roundup. Sales results were noticeably increased.

Direct Mail: Where to Begin

Perhaps the best advice we can give you is to consult experts... Direct Mail companies or your advertising agency. Expert help can make all the difference. However, no matter who is responsible for developing a Direct Mail campaign, there are certain factors you need to consider. We touched on some of them above; we've dealt with those in depth, and examined many others in similar detail, in a FREE booklet we've prepared on Direct Mail. Our booklet, A USER'S GUIDE TO DIRECT MAIL, touches on the most important steps, giving general advice and considering specific problems. It won't replace specialist help, but it outlines the

main features of Direct Mail (both the advantages and the pitfalls). For a FREE copy of the booklet simply fill out the coupon below (or write on your letterhead for a copy) and place in an envelope addressed to: Freepost No. 1 Marketing Manager P.O. Box 23 Wellington

NO STAMP IS REQUIRED—SIMPLY INCLUDE THE ABOVE FREPOST NUMBER AND ADDRESS ON YOUR ENVELOPE.



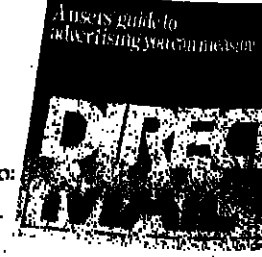
MAIL

Advertising you can measure

To: Freepost No. 1
Marketing Manager
P.O. Box 23
Wellington
(No stamp required)

Please send your FREE booklet on DIRECT MAIL to:

NAME _____
TITLE _____
COMPANY _____
ADDRESS _____



Profile

Bureaucracy battler flies back into frontline

MATT Thompson — the man behind the Skybus concept — has been battling bureaucracy for years.

Early this year he drew up plans for a ship and a full financial proposal to run the Chatham Islands' shipping service at a profit and no cost to the taxpayer.

He didn't get to first base. The Ministry of Transport rejected his plans in favour of the existing taxpayer-subsidised service.

One of Thompson's dreams has been to operate a tug and barge service. He points out that all but two of this country's major cities are on the water, and tug and barge operations work admirably overseas.

Shipping sources agree with Thompson that tugs and barges would cut New Zealand's internal transport costs dramatically, but opposition to the labour-saving scheme would be opposed by the Seamen's Union. It has never got off the planning board.

Thompson thinks big. The Skybus venture is no exception.

Other third-level operators might have been content to pick up scraps from Air New Zealand. But Thompson is challenging Air New Zealand head on in the Government-owned airline's major routes.

He once had a scheme for importing petroleum products into New Zealand on his own, in direct competition with the seven sisters and their New Zealand subsidiaries.

Even Thompson's enemies grant him one redeeming attribute — he's a fighter who can't be put down.

No sooner does one transport venture founder on bureaucratic interference or withdrawal of creditor or investor support than Thompson is up again with a new venture.

The consensus of opinion among his close business associates is that he is an entrepreneur who has come up with some brilliant transport concepts.

His associates are less kind regarding his financial management capabilities.

Thompson disputes this charge, pointing out that he started life as a farm boy and has built up some successful businesses from nothing.

This is true. But Thompson has also left a lot of financial wreckage in his wake.

In most cases, bureaucracy was involved in the collapse of Thompson's transport empires.

In 1971, Thompson set out to salvage the new Japanese fishing ship Masu Maru which founded off Te White station. Dan Ridderford, former Justice Minister, owned all the land around Te White and didn't want to let Thompson cross his property.

Thompson beat Ridderford, salvaged the ship and towed it to Nelson where it was repaired and sold.

Thompson wouldn't say how much he made on the deal but associates say he was sitting very high on a fat wallet after the venture.

Thompson set up Unit Shipping, a tug and barge operation hauling goods from Otago to Tamar. This venture went belly up after protracted dispute between the wharves and Drivers Union, and opposition from Railways and the freight forwarders.

As with other Thompson

ventures, transport sources said the tug and barge concept was brilliant. It still lost money.

Thompson fought the Railways for many years as he built up the trucking and car hauling operations that later became the Haulways Corporation. The weak link in the car-hauling operation was Cook Strait, where he had to rely on Railways ferries.

To get a licence to fly his own airline across the Cook Strait, Thompson bought out Air North and Akarana Air. When he tried to substitute bigger planes (Carvairs and Corvairs) for the smaller planes, the Air Services Licensing Authority changed the rules of the game to stop him.

The Arab-backed Bank of Credit and Commerce International financed the plan with \$3.8 million.

But the whole Haulways Corporation went into receivership in 1978. Last March the receiver appointed by the BCCI reported a deficiency of \$3.2 million.

Thompson personally guaranteed the BCCI loan.

The BCCI is currently owed \$A3.08 million, but as the Haulways Corporation has been pared down to its one big money spinner — Car Haulways — this \$3.08 million debt should be cut down to a deficiency of about \$1 million.

Thompson said he was in legal dispute with the BCCI.

Regarding Skybus, Thompson said he was executive director only. Under this position, four separate sections run by professional managers would handle finance, engineering, operations, and marketing.

The use of Skybus aircraft on international charters would also pose problems. If permission was gained from foreign governments there would still be the difficulties of making them economic.

Unless a series of what are called back-to-back charters are organised, involving several hundred passengers for one single destination, the need to fly the aircraft one way empty eats up the profit.

Back-to-back charters would hit scheduled airlines so hard, foreign governments are unlikely to give approval readily.

A major questionmark surrounding the Skybus venture is aircraft maintenance. Thompson said major nine-monthly maintenance would be done in Hong Kong. To avoid flying to Hong Kong empty, Skybus plans would run a \$900 eight-day Hong Kong package tour on the maintenance flights.

All maintenance in New Zealand would be handled by Skybus staff, Thompson said.

He said he had already received job applications from DC8 flight engineers and pilots without advertising positions vacant. Some applications had come from Air New Zealand-trained men, he said.

He had not yet decided on a fuel supplier.

Aviation sources say Skybus is headed straight into



Matt Thompson... can't be put down

confrontation with the Government, the bureaucracy and Air New Zealand.

But technical and economic problems may prove more formidable than political and bureaucratic opposition. A consensus of technical opinion is that while the DC8-53 could operate through Wellington without problems, it could not use Momona air-

field in Dunedin (which is on the Skybus timetable).

The DC8-53 is similar in type to the DC8-52s that Air New Zealand has been flying for 15 years. These aircraft are uneconomic on international runs for which they were designed and world airlines are trying to discard them.

Air New Zealand's DC-8 on the Japan run will certainly lose money because the load factor required to break even is probably close to 90 per cent. The losses are taken in the cause of route development.

The use of the DC8 would be even less economic on a domestic run. Assuming Thompson started his services with one DC8, the aircraft would be confined to services among Auckland, Wellington and Christchurch and an extremely high load factor would need to be assured for the maximum 150 seats on each of, say, five return flights a day among the main centres.

Even at reduced fares, the problems of filling one DC8

between 10am and 3pm each day would be considerable. Three DC8s would have space over if they carried every single domestic passenger between the three main centres on an ordinary week day.

The use of Skybus aircraft on international charters would also pose problems. If permission was gained from foreign governments there would still be the difficulties of making them economic.

Unless a series of what are called back-to-back charters are organised, involving several hundred passengers for one single destination, the need to fly the aircraft one-way empty eats up the profit.

Back-to-back charters would hit scheduled airlines so hard, foreign governments are unlikely to give approval readily.

But full or empty, the minimum cost of keeping a DC8 in the air would be around \$5000 an hour — that covers, say, fuel, crew and the supply of materials needed to cater for the

aircraft and its passengers. Above that would be all the charges for ground staff, commissions for salesmen and 11 per cent of all revenue which must be paid for airport and airways dues.

Availability of fuel might not be a major problem, because there is said to be a relative abundance of supplies. But the Ministry of Energy would certainly take its normal stance — that any new demand should not make fuel more expensive or harder to get for existing operators. And because of the situation in Iran and Iraq, availability could rapidly become a problem.

Because the DC8 is an old aircraft, maintenance demands are high. These may be Skybus's biggest obstacles.

Thompson says he has experienced engineering staff available, but he will require a large range of spares and adequate tooling equipment.

With the right equipment, he might be able to manage an engine change in Christchurch, for example, where he has access to a hangar.

Now you too can benefit from the improved technology forecast yesterday for the '80s.

You too can dramatically increase your chances of making your decision a correct one, or locate a supply of raw material, be the first to know of a new patent, new process or the results of research.

Your information must come fast and accurate — not just what is known in New Zealand, but what is known internationally. Enormous computerised banks of information now exist around the world.

compiled over the last ten years and linked through DataAccess to internationally situated terminals throughout New Zealand. Now inexpensive international information is available for the first time direct to you — invaluable information that will make your decisions informed decisions.

When you have satisfied yourself you can't afford to have your competitor better informed than you then call DataAccess.

DataAccess — a world of information — (at a very fast) subscription.

DataAccess

International Information Searching

Auckland Phone 774-212; P.O. Box 5710; Telex NZ22801. Nelson Phone 87274; P.O. Box 5100; Telex NZ22801. Wellington Phone 845-004; P.O. Box 18028; Telex NZ3859. Christchurch Phone 68-301; P.O. Box 10020; Telex NZ480.

To set standards of service in the copier market, you need...

Nationwide service.

Getting to be Number One in any business is tough. But winning customers is only half the battle. Keeping them requires something special: superb service. Service geared to the needs of customers large and small, and covering the whole of New Zealand.

Over 100 engineers.

By superb service we also mean extensive service. Rank Xerox has a national network of service engineers. Every one of them a fully trained Rank Xerox employee.

A local office near you.

When you have your copier it's important to know you can get support when you need it. We have service centres throughout New Zealand, so if you have any problems simply telephone the Rank Xerox office nearest you. From there, one of our service controllers can bring into action a complete support system designed to meet your needs promptly and effectively.



Spares and repairs.

Rank Xerox copiers have a high reputation for reliability, but if something does go wrong it's soon put right. Our engineers carry a full inventory of spares, and they can call on the resources of our depots all over the country.

Back up services.

To cover all your copying requirements we offer a national Copy Service network in 14 locations. A team of Customer Services people to advise on copy service use, and on paper and other supplies. A team of Sales representatives able to analyse and advise on your exact copier needs. Training on machine use, on methods and applications. And of course the service team; but that's where we came in.

RANK XEROX
Setting the Standards

© Xerox and Rank Xerox are registered trademarks of Rank Xerox (NZ) Limited.

Manufacturing

Electronics firm defends need for protected market

by Lindsey Dawson

MENTION words like "inefficient local industry", "protectionism", and "restructuring", and people in sectors like car assembly and electronics tend to wince.

A number of industries have been brought under Government scrutiny, and reports are being written by the Tariff Review Committee which might open up local business to the cold, hard world of international competition.

But, despite consumer complaints about having to pay high prices for New Zealand-made goods which could be imported more cheaply, local manufacturers can always supply reasons why they deserve Government protection.

Fountain Electronics, New Zealand's home-owned and home-financed electronics firm, is no exception.

Fountain general manager Brian White said: "There is tremendous potential for the New Zealand electronics industry. The world relies so much on electronics these days, and it would be a very negative step for New Zealand to open up the market to international competition — there would be no growth, no development here if it was open slather."

"In the industries with which we have a close association there is an opportunity to really promote professional industrial electronics."

"Agriculture is a case in point, as are the steel and pulp and paper industries, not to mention the educational and medical areas."

"The point is that those markets are only viable if we have a spin-off into the volume consumer market. You have to have that to be viable," White said.

New Zealand electronic know-how is equal to the best in the world, he said. Remove protectionism and we're depriving ourselves of a great future.

Local manufacturers are protected by a 65 percent tariff. Until recently, returning Kiwi tourists who had bought duty-free overseas, were bringing a third of the country's new audio gear back in their suitcases. New customs rules will reduce that flow.

White hesitates to ask for more protection. "We accept the status quo in this area. Obviously it would be foolish to say no, we don't want any more. But we believe we are efficient enough to survive under the present system."

And he does say that the company in time, will achieve sufficient volume and efficiency to compete in the export market.

Fountain began back in the thirties when the late J R Eckford opened a small shop known as SOS Radio Ltd, in Derby Street, Auckland. In 1919 he opened SOS Radio Wholesale Ltd to import and

components required by radio and electronic service people. Then in 1951 came a name change to Tee Vee Radio Ltd and the start of an expansion programme. Branches were opened in Wellington, Christchurch and Dunedin between 1958 and 1962, and the Fountain name was introduced in 1963 with the establishment of the manufacturing subsidiary.

A new head office was built in Grey Lynn in the late 1960s, and the company developed into separate divisions. The Tee Vee Radio name "died" in 1975 with the advent of Fountain Marketing Ltd and its parent company Fountain Corporation Ltd.

Today the corporation employs about 120 people working in three divisions: Fountain Electronic Industries, which manufactures Fountain brand hi-fi equipment and music centres; Fountain Radio Industries, making portable radio and cassette units, budget-priced music centres and digital clock radios; Fountain Transformer, producing transformers, coils and chokes.

Fountain Marketing sells the company's products and holds the New Zealand agency for several overseas companies, including the Toshiba range of audio equipment and calculators. Fountain Securities handles the group's properties.

White is new to the general manager's chair, and was previously northern region manager for Burroughs. He succeeds former managing director H R Simmonds who is now managing director of Hunter Douglas Ltd.

At the company's recent annual meeting, shareholders were told that Fountain has a hard year ahead. There is no chance of a profit for the first half of this year, and for the second half, "we, like every other board, are faced with the almost impossible task of deciding whether the economy has troughed and just what credence we can place in our market intelligence," said chairman B L MacLeod.

"Therefore the problem is to decide whether, and to what extent, we should trim the organisation back perhaps to the point where we would have difficulty in quickly rebuilding for an upturn, or whether we should merely reconcile ourselves to accept, at best, a break-even situation until the upturn comes."

Fountain executives are

cautious about revealing future plans, but at the annual meeting shareholders approved a \$3.5 million increase in nominal capital to \$5 million, and MacLeod spoke of diversification, a possible cash issue and mentioned takeover possibilities.

Fountain has been restructuring internally for sometime to cope with the difficult market. "It's a lean organisation," says director Bert Dillner. "It has to be in today's market conditions."

One of Fountain's major problems is the size of the country's population. "We have three million people. For the manufacturers like the Japanese, the world is their oyster."

Fountain does not have the glossy advertising, the promotional gimmickry and the constant style changes of the big international manufacturers.

But the quality is high, says Dillner. "We're proud of our product. It sounds good. It competes with the best of overseas technology. We try to strike the happy medium with styling — to produce something which fits into the average home. It's not everyone's cup of tea to have shiny panels and winking lights after all. Our products are made for New Zealand conditions by New Zealanders — and we're proud of that too."

All Fountain products are New Zealand-designed, but most of the components and raw materials have to be imported. The only true indigenous content in a radio or stereo set is the wood that goes into the cabinet.

Dillner describes the stereo market as buoyant, as people continue to upgrade their home sound systems. But, of course,

competition is tough — as it is in the radio field.

Fountain used to have a 45 per cent share of the radio market, but as television manufacturers have diversified into radios in recent years as the initial colour television boom has worn off, their market share has dropped.

Digital clock radios have been a big seller — retailing at about \$88.

Fountain has new products coming up as well as variations on present lines but they are still under wraps.

In general terms White says there is very high morale in the electronics business — "it's

an exciting industry, and there's a great deal of job satisfaction involved."

He says that in the industrial and electronics field there is a huge opportunity for New Zealand technical skills, especially in software. We're equal with the best in the world."

How to save up to 97% on the cost of redoing your offices.

Start with the Westinghouse ASD Open Office System.

Rearrange a conventional office, and you have to move walls and unmovable partitions; modify air conditioning, lighting, carpeting and other flooring; and spend up to \$25 per square foot to do it.

Rearrange with the ASD Open Office System, and you'll spend less than 75¢ per square foot. Because ASD was designed to change with your business.

You'll save space, too, because ASD work stations are engineered

to facilitate specific tasks. So you can fit the same number of people into smaller space without sacrificing productivity or comfort.

We'd like to tell you more. But we're running out of space.

We have a long—and very interesting—story.

Westinghouse ASD
Making more people more productive in less space at lower cost.

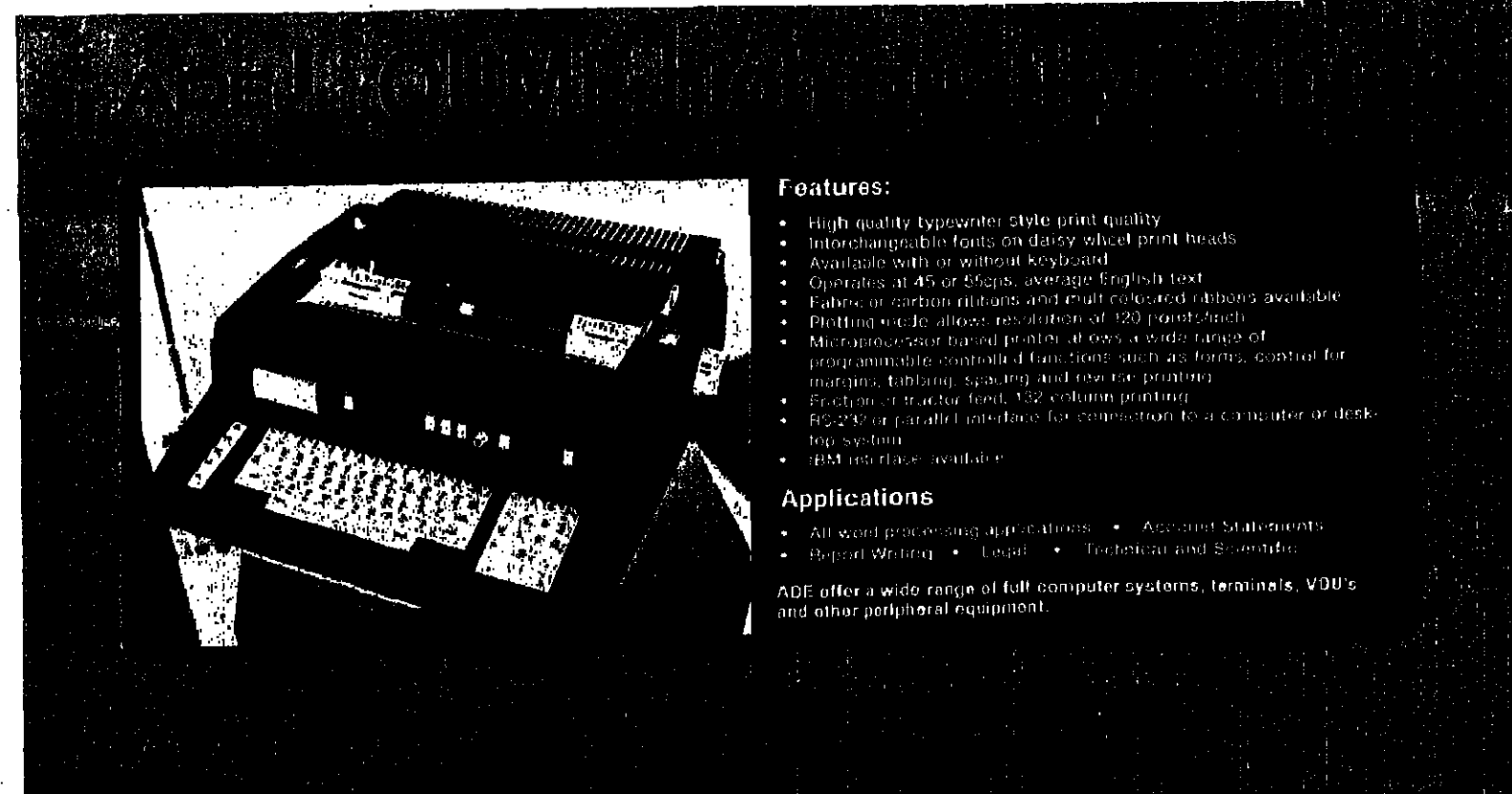
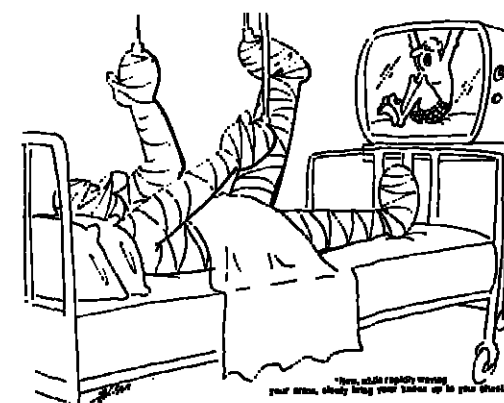
Manufactured under licence in NZ & Australia by:

cemac

Cemac Modular Industries Ltd

Auckland: Phone 766-175 P.O. Box 68 667 Wellington: Phone 663-937 P.O. Box 30 192
Christchurch: Phone 60-571 P.O. Box 2061

CCB/CIA/434



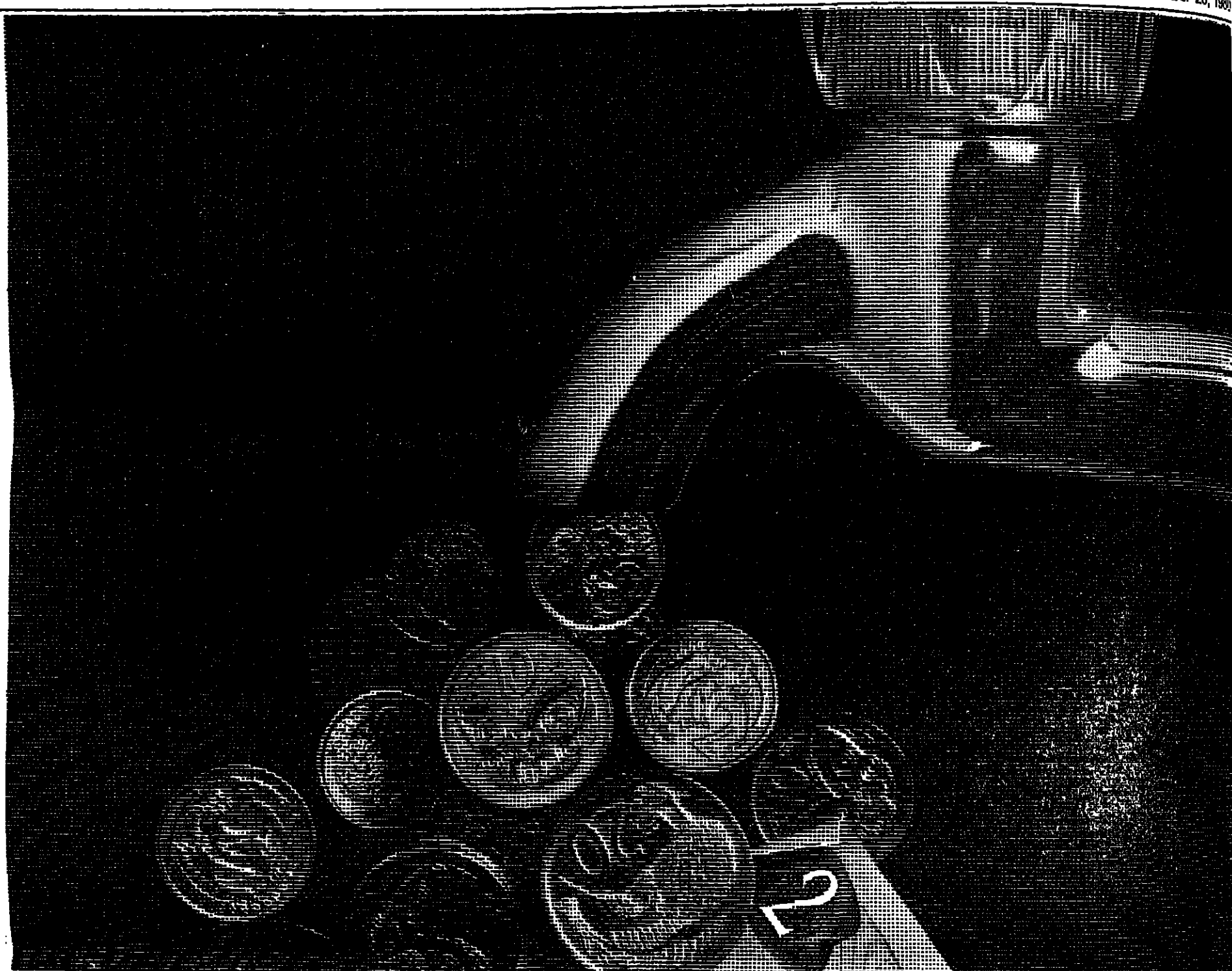
Features:

- High quality typewriter style print quality
- Interchangeable fonts on daisy wheel print heads
- Available with or without keyboard
- Operates at 45 or 55 cps, average English text
- Fabric or carbon ribbons and multi-colored ribbons available
- Printing width allows resolution of 120 points/inch
- Microprocessor based printer allows a wide range of programmable controlled functions such as forms, control for margins, tabbing, spacing and overline printing
- Fraction of tractor feed, 152 column printing
- 6248 or parallel interface for connection to a computer or desk top system
- IBM compatible available

Applications

- All word processing applications
- Report Writing
- Legal
- Technical and Scientific

ASD offer a wide range of full computer systems, terminals, VDU's and other peripheral equipment.



9½ percent per annum interest on your investment – and take it out whenever you wish

Have your money on tap and still earn 9½% per annum

This investment opportunity from National Mutual Deposit and Loan Company Limited, allows you to have your money back when you ask for it – and yet while it's with us, your savings are earning 9½ per cent interest every year, on a daily basis.

Higher interest rates if you can leave your money with us

If you can manage without your savings for a set period, National Mutual can give you higher interest rates.

Our Secured Deposits pay:
14½ percent per annum for 3 years
14 percent per annum for 2 years
13½ percent per annum for 1 year
12½ percent per annum for 9 months
12 percent per annum for 6 months
11½ percent per annum for 3 months

- National Mutual Deposit and Loan Company Limited, is a wholly-owned and controlled subsidiary of the National Mutual Life Association of Australasia Limited, which has undertaken to advance such sums to the Company as may be required to meet deposits on maturity.
- The Companies Act requires that deposits cannot be made except with application forms supplied with a Prospectus. To obtain these, send this coupon, or contact your nearest National Mutual agent, or District Office.

Registered Office:
National Mutual Centre
70 The Terrace Wellington
Telephone: 737-070
Established 1872

National Mutual Deposit & Loan Company Ltd.

The Manager
National Mutual Deposit and Loan Company Limited
P.O. Box 47
WELLINGTON

Please send me a Prospectus and Application Form in respect of secured deposit investments at 9½ per cent per annum, which I can take out whenever I wish, or on longer term investment returning up to 14½ per cent per annum.

Name:

Address:

Marketing

Campaign creates lucrative local cheese craze

by Grev Wiggs

"THERE were many who, at the beginning of the 1970s, with Britain about to throw in her lot with the EEC and shut the door on a New Zealand cheese industry structured to manufacture cheddar to suit the British palate, found it hard to see anything but a bleak future for cheese. But as the decade of the 1980s begins, the cheese industry finds itself again entering an expansionary phase."

In the light of what happened to the production and sale of cheese in the 1970s, this extract from the New Zealand Dairy Board's report for the year ended May 1980 must rate as one of the understatements of the year.

It certainly fails to capture the drama and trauma of the country desperately searching for new markets to replace the loss of 75,000 tonnes a year of cheese closed out by the EEC; of the success of the negotiators and marketers in building Japan to replace Britain as the major export market; of the further successes in increasing the United States quota and re-establishing access to the EEC; and particularly in the home-grown success of doubling sales on the domestic market in the short space of seven years.

Cheese production, in excess of 100,000 tonnes a year, now stands at about where it was a decade ago, although towards the end of the 1970s it had dropped to as low as 80,000 tonnes. Much of that recovery must be attributed to the good results achieved by the local marketing operation.

The writing appeared on the wall in 1970 when Britain initiated talks on entry to the EEC.

The Dairy Board could then only look ahead to the ultimate loss of its largest market. If this sector of the dairy industry was to emerge from the crisis in a viable state, there was an urgent need to find and develop new markets.

Right at hand was the domestic market. But New Zealanders, among the biggest meat eaters in the world, scoffing over 100 kg of meat per year, were poor cheese eaters by world standards.

Where a French person would consume around 15 kg a year, the average Kiwi could manage little over 4 kg. Conventional wisdom had it that as both meat and cheese were protein sources, it was unlikely that given our meat consumption, we could be encouraged to cut a great deal more cheese.

The Dairy Board, which normally marketed only dairy products intended for export, took the lead in forming a local committee with producers and distributors represented, to market cheese locally and a levy was introduced to fund a national promotion.

The local market volume is now at the level of 12,390 tonnes a year but the initial budget was limited.

As a base for evaluating consumer attitudes, opinions and shopping habits, a study was conducted by Massey University. It showed that the usage of cheese held by consumers was extremely favourable. Cheese was considered a good source of protein, good for children, with a wide variety of uses and easily and

quickly presented in meal form.

There was little that needed to be done in correcting consumer attitudes so initial advertising and promotion concentrated on encouraging consumption and increasing the frequency of usage and purchase.

Media activity combined television, radio and magazines and used the theme "Make today a cheeseday". Advertising was supported by in-store sampling and recipe giveaways in major centres. But, with no merchandising force available, use of point-of-sale material was restricted.

In pre-promotional days there had been a natural market growth of about 350 tonnes a year. At the end of the first year of promotion (May 1974), consumption was up by 1567 tonnes or 12.1 per cent and the 1974-75 year recorded a further rise of 769 tonnes, or 5.3 per cent.

In spite of this increase – 2336 tonnes in two years – the production surplus, due to the reduction of exports to Britain, was growing at an even faster rate. There was a need to accelerate the pace of local market development.

The Massey study had pointed up two significant factors in consumer purchasing habits.

Cheese was a regularly purchased item, with over half the consumers buying on a regular weekly basis, but the amount purchased was limited to an average 250 to 400 grammes.

The handling agency, Campaign Advertising, argued that the classical marketing ploy of promoting larger sized units of purchase would produce stock pressure in the home. This would induce greater usage and lessen the likelihood of out-of-stock situations.

This was borne out by the experience of Dairy Board staffers who bought cheese in large sized portions and found their cheese consumption rising.

The agency contended that to overturn existing buying habits required a greater share of food advertising than the budget could support. It proposed a test of intensified activity in a single marketing area for a six-month period.

Agreement was reached, and the Dairy Board agreed to fund the exercise with an investment additional to the normal budget and based on a target increase of 800 tonnes over the six months period.

Auckland was chosen for the test market – for its size, stage of market development and media control.

For the Auckland area it was decided to promote the concept of "Family Block" sizes – from 900g to 1 kg – and identify them with a special sticker. For the remainder of the country where, as Auckland was now separately funded, advertising could be stepped up, the theme was "Buy a Bigger Block".

Television was backed by radio and the Des Brien television commercials differed only in their tags. In-store merchandising material was plentiful.

The Auckland campaign began at the end of July 1976 and easily achieved all its targets, finishing with an increase in sales volume of 19.7 per cent for the full year.

Elsewhere the campaign

went well. Offtake to the end of the May 1977 year rose by 4300 tonnes to over 20,000 tonnes nationally, an increase of 27.4 per cent representing a per head consumption figure of 6.5 kg.

It was then time to plan the nationwide family block sticker campaign for the following year, but there were difficulties to overcome.

Few producers or distributors at the outset believed that the sticker had much merit.

For reasons dictated by surveyed consumer opinion a change was made to animated commercials and the animated characters were carried through for use at point-of-sale.

The campaign, which was due to start in June 1977, was based on high exposure levels achieved in phased bursts of expenditure. The launch, for instance, was to reach no less than 95 per cent of the total target audience an average of 12 times per week over three weeks.

Again the Dairy Board funded the additional money required to reach the campaign targets.

During the advertising campaign there were tremendous price rises. This caused distributors to become concerned about the consumers' willingness to pay the extra for the 1 kg block. Some began to cut down the size of the block to reduce the shelf price. But no one asked the consumer who, quite happily, was still prepared to pay the increased price.

In spite of all the problems, tonnage for the May 1978 year had climbed to 22,500, a further increase of 2360 tonnes or 11.7 per cent.

The summer of 1977-78 saw drought spreading throughout our dairying districts and production dropped dramatically. At the same time export sales experienced a surge and there was some doubt about the ability to satisfy the local market.

Advertising weight had to be halved and emphasis was removed from the family block.

But things returned to normal and the new campaign was planned. It centred around Bruce Forsythe and a notable range of four commercials which, incredibly, were produced in two days.

The campaign began in March 1979 and, despite heavy price increases once again produced gains on gains.

The end of May 1979 figures indicated that sales volume had climbed to 26,100 tonnes, an increase of 3600 tonnes or 16 per cent.

Estimated sales for the May 1980 year, when the "Cheese Right" theme is introduced, are 27,500 tonnes, making the domestic market the largest for the cheese producers. It was only 12,390 tonnes when the exercise began.

We consumed 4.4 kg per head at the beginning and now we are disposing of 8.7 kg of cheese. In line with our increased familiarity with the product goes an increased sophistication. We are eating 77 per cent of all cheese in its natural form. We are consuming as much "tasty" as "mild".

"Expectation is that the market has further potential for growth", says Neville Martin, information officer for the Board. "The development of

the local market has been a productive exercise in that there are practical applications for overseas markets of what we

have learned here in producing a radical change in eating habits in a very short period."

In this example of applied

marketing principles the Dairy Board has confirmed that its marketing ability is not confined to offshore ventures.

WINDOWS ON WELLINGTON

An eye-opener for every connoisseur familiar with the best restaurants in New Zealand and overseas.

'Windows on Wellington,' atop New Zealand's tallest building, is truly unique, the stunning panoramic views of Wellington's harbour and hills... quietly sumptuous decor... friendly, attentive, unobtrusive service... and, it goes without saying, a truly outstanding cuisine. Perfect for luncheons, nights out and special occasions.

Being in Wellington and not visiting 'Windows on Wellington' is like going to Paris and not dining at Maxim's! Indulge yourself... your special guests... with the pleasures of 'Windows.'

Reservation essential. Phone: 722-789.

WINDOWS ON WELLINGTON
LICENSED RESTAURANT

The best deal in freight.

These days international freighting is an increasingly complex and important operation.

With so many different rates and services available, you need an International Freighting Organization to provide the best possible forwarding advantages worldwide.

LEP International has this organisation and experience... worldwide.

The results - faster freight movements by Air and Sea, coupled with reduced costs.

Making your products more competitive. To find out how you can make your freighting operation more efficient and profitable telephone your nearest LEP office for an expert no obligation assessment.

LEP International

Auckland 30-395 Wellington 739-399 Christchurch 585-012



Making Better Advertising

McCann centres in New York and London are continuously sending their international training programmes to



"Making Better Advertising" video cassette series.

Dobbs-Wiggins McCann-Erickson in Auckland, Wellington and Christchurch.

The MBA (Making Better Advertising) programme is the latest example. In this intensive, 16-hour video series, world-rated specialists cover research, strategy planning, media selection, creative planning and execution.

This sort of input is more than an investment in our own professionalism. International know-how stimulates individual development.

It generates the confidence to meet and enjoy everyday challenges.

In short, it creates local know-how. And that's the secret of our success.

Dobbs-Wiggins McCann-Erickson

AUCKLAND: International House, 5 Cheshire Street. P.O. Box 830. Contact: Randal Dobbs. Telephone 34-459.

WELLINGTON: U.D.C. House, 104 The Terrace. P.O. Box 1998. Contact: David MacKenzie. Telephone 729-249.

CHRISTCHURCH: McCann-Erickson House, 63 Victoria Street. P.O. Box 25,066. Contact: Mark Wood. Telephone 798-780.

Maori sells magazines

ETHNIC is proving popular as the race for the Maori dollar continues apace.

Since the end of last year, two magazines aimed at New Zealand's half-million Maori population — and interested pakehas — have been on sale in bookshops and on marae.

The expected warfare between the two — *Te Maori* and *Te Kaea* — has not evenuated. Sales of each are in or near the five-figure mark, a success rate any publisher would be proud of in this magazine-saturated country.

That two new publications, aiming at basically the same audience, can attract such a readership in so brief a time is even more remarkable.

Te Kaea editor Wiremu says he has not chased advertising and admits circulation has "not been as good as expected". To help rectify this, the department has appointed a professional media representation company.

The two publishers say they maintain close liaison particularly as style and content have become more varied. But that does not appear to have affected readership levels unduly, with both enjoying healthy circulation lists.

As one observer noted: "It seems everyone's coming to the hui".

Te Maori is the more conspicuously successful. Published by the New Zealand Maori Council — a Government-tribal go-between — it operates on a free-enterprise, self-supporting basis.

With its close tribal links — it is partly funded by levies on the different tribes — the council relies on up-to-date, down-home-on-the-marae news and features, heavily supported by "people" photographs.

About a third of *Te Maori*'s sales are bulk subscriptions sold through the tribes.

It has already moved into the Australian market. A recent visit by editorial consultant Peter Isaac has already produced a small response from the expatriate population of some 120,000 New Zealanders with Maori blood.



Te Kaea, on the other hand, has adopted a more up-market rather than up-beat approach.

Published by the Maori Affairs Department, it sells at \$1.25 (nearly three times the price of *Te Maori*) and has relied more on bookstall sales.

Its circulation is just under 10,000, lagging *Te Maori* by several thousand. The department is planning to push the magazine more into the Maori communities.

Editor Graham Wiremu describes his publication as "rather more sedate with reflective in-depth articles".

That's not surprising, considering the publication relies heavily on Government fund-

ing. It must be sensitive to political issues while trying to avoid the label of propaganda mouthpiece. But *Te Maori* is not afraid of the political environment; the latest issue devotes feature space to the Springbok visit.

Advertising support has been mixed.

A comparison of the June/July issues (both are bi-monthly) shows *Te Maori* carrying nearly 20 pages of advertising with *Te Kaea* languishing with only six pages, including three departmental ads.

The Maori Council's Graeme Anderson attributes this to more aggressive marketing by council personnel. As an example, he cites the recent approval for the magazine to be carried on Air New Zealand's domestic in-flight magazine selection.

Te Kaea editor Wiremu says he has not chased advertising and admits circulation has "not been as good as expected". To help rectify this, the department has appointed a professional media representation company.

The two publishers say they maintain close liaison particularly as style and content have become more varied. But that does not appear to have affected readership levels unduly, with both enjoying healthy circulation lists.

As one observer noted: "It seems everyone's coming to the hui".

Video firm scaled down

INL subsidiary Concept Video (NZ) Ltd is taking the advice of the industry and scaling down its operations, it was revealed the other day.

Also revealed officially for the first time — despite many inquiries in recent weeks about the future of certain key personnel with the company — was the fact that general manager Mike Mune is no longer with the company.

Until then, the only response to questions about Mune's status has been an unconvincing "he's on leave".

NBR had been told there was no reason to suggest he would not be back.

In a statement released two weeks ago, INL chairman Alan Burnett referred to the current problems confronting the video firm: "Having regard to the lower level of operations, which does not justify him remaining with the company, Mr M E A Mune has offered his shares in Concept Video (NZ) Ltd to Independent Newspapers. That offer has been accepted and Mr Mune has now retired from his position as general manager and as a director of the company."

Frank speaking for Tongans

by David Robie

TIRED of being shunned by ethnocentric daily newspapers and searching for a voice of their own, an Auckland-based Tongan publishing co-operative has launched a new paper.

The pan-Pacific venture is aimed at the expatriate Tongan community from Australia to Hawaii (about 25,000 people) as well as the 100,000 Tongans in their own kingdom.

But its initial circulation of 2000 is firmly anchored within

the 7000 Tongan community living in New Zealand.

Called *Talanga* ("speaking out frankly"), the bi-weekly paper is bilingual but maintains a strong emphasis on the Tongan language. It is published by Polisia Communications, the publishing arm of the Fungafu O Tonga Cultural Society, and printed by the *Northern Advocate*.

Papiloa Foliaki, the only woman member of the Tongan Parliament, Immigration under-secretary Aussie Malcolm and Deputy Labour Leader David Lange gave the paper their blessing at the launching party.

Early issues have been well supported by advertisers such as Air Pacific and the paper joins other ethnic publications in this country like *Samoa* (circulation 9000) and *Te Maori* which have succeeded the ill-fated newspaper *Alana*.

An ambitious pan-Polynesian concept, *Alana* was launched in Auckland in 1978

as a multi-lingual paper with pages printed in Maori, Rarotongan, Samoan, Niuean, Fijian, Tongan and English. But the paper didn't survive because of financial difficulties.

"Our slogan *fakatanga ma'a e Tonga 'he Tonga* (in Tongan, for Tongans, by Tongans) is an indication of our wish not only to communicate effectively but to strive for self-reliance and self-determination," said Sefita Haouli, 31, one of the paper's five editors.

Haouli, also a Consumers Institute advisory officer, says *Talanga* will play a vital role in keeping Tonga's language and culture alive, particularly among Tongan expatriates.

He says New Zealand's dailies have largely ignored the Tongan community, except in a negative way, and the only Tongan access to the media was through the Polynesian programmes of Radio Pacific and Radio New Zealand.

"The mainstream media in



MPs at the launch... peruse the bi-lingual, bi-weekly

this country are not equipped to deal with Polynesian news. We will endeavour to set up our own network of Polynesian news," he said.

The paper is certain to provide a fresh, competitive voice to counter the Tongan Government newspaper *Kakoukaki* (Chronicle) in

Nuku'alofa, which is dismissed by some Auckland Tongans as a "royal diary".

But *Talanga*'s editors will be wary about treading on political corns. As Haouli puts it: "Of course, a newspaper is a political tool. But *Talanga* is independent and we will not become politically partisan."

Say hello to our 747s. First choice with experienced international travellers.



The moment anyone says "hello" to Pan Am, they experience a world that no other airline offers.

The 747 is the most reliable aircraft available, and we have the largest fleet of 747's and 747SP's of any airline.

From New Zealand to the U.S.A., only Pan Am offers the spacious luxury of First Class Sleeperette® Service and the special recognition of Clipper® Class.

Even our vacation and low-fare passengers experience acclimated comfort and service that begins the moment they relax in our Full Service Economy Section.

And, to top it all only Pan Am offers an all 747 service to both the U.S.A. and U.K./Europe.

So Say Hello to Pan Am. We fly the world the way the world wants to fly.



Say hello to Pan Am.

PAN AM

CONTINENTAL AIRLINES ANNOUNCE MORE OF JUST ABOUT EVERYTHING.



SYDNEY
Wednesday departs 0920 Hrs.



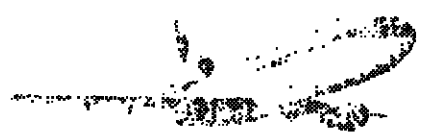
SYDNEY
Friday departs 0920 Hrs.



SYDNEY
Sunday departs 0920 Hrs.



HONOLULU/USA
Wednesday departs 2045 Hrs.



HONOLULU/USA
Thursday 2045 Hrs.



HONOLULU/USA
Sunday departs 2045 Hrs.

MORE FLIGHTS.

If you thought our service to America before, you should see us now.

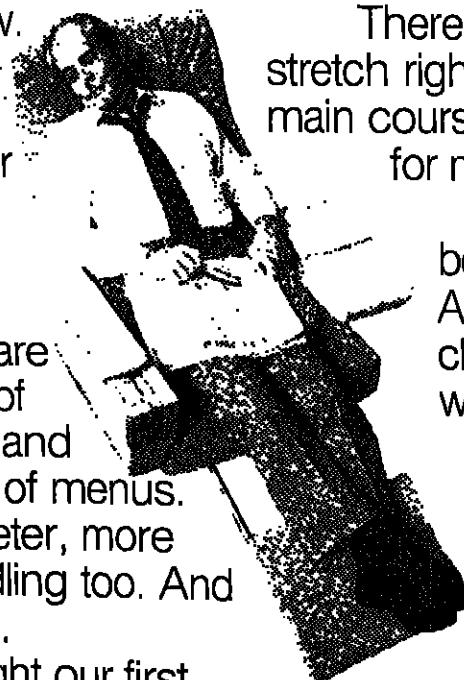
Because from October 29, we give you a whole lot more.

More Flights. For starters, there's our new service to Los Angeles. That's our home town, so we go full out to make a good impression on you.

We offer Statesman Service to full fare Economy passengers. It gives you a lot of extras for no extra. Including free drinks and headsets for movies and stereo. Choice of menus. Preferential seating that makes for a quieter, more relaxed flight. Preferential baggage handling too. And access to V.I.P. lounges where available.

More Comfort. We've always thought our first class service was something special. Now it's even more so.

We call it Royal Statesman Service. And it lives



MORE COMFORT.

up to its name in every sense.

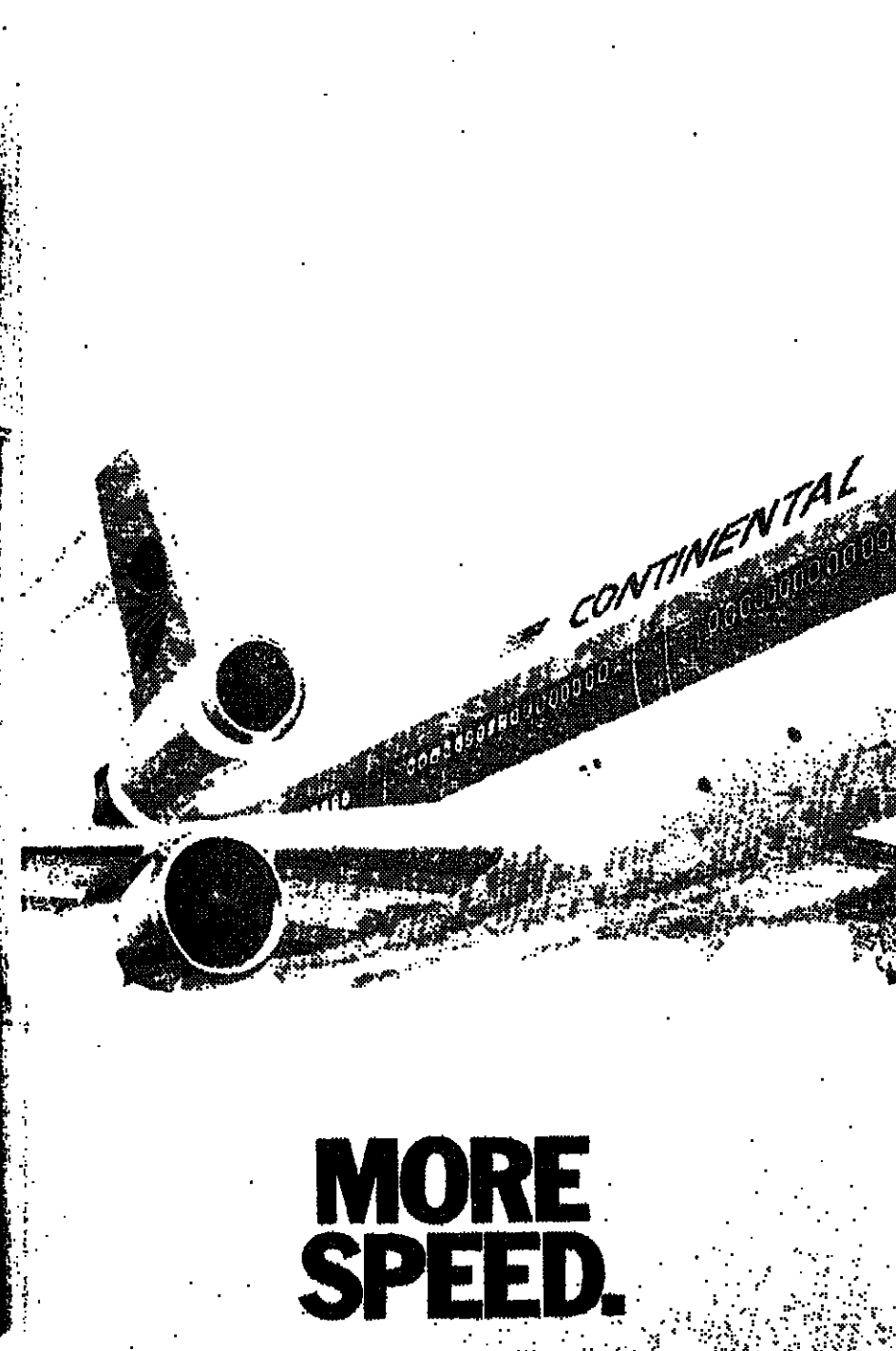
There's luxurious sleeper seats that let you stretch right out. Delicious meals (a choice of four main courses, no less). Fine wines. You couldn't ask for more.

More Speed. We will be faster than before with a one-stop service to Los Angeles. Another speedy thing is that you clear customs and immigration in Honolulu when the crowd has gone. It's also a lot quieter as well.

More Services. We're pleased to announce that from October 29 we fly to Australia three days a week. Every Wednesday, Friday and Sunday.

And we treat you to full international service.

For instance, in economy you can enjoy a choice of main courses, free headsets for stereo



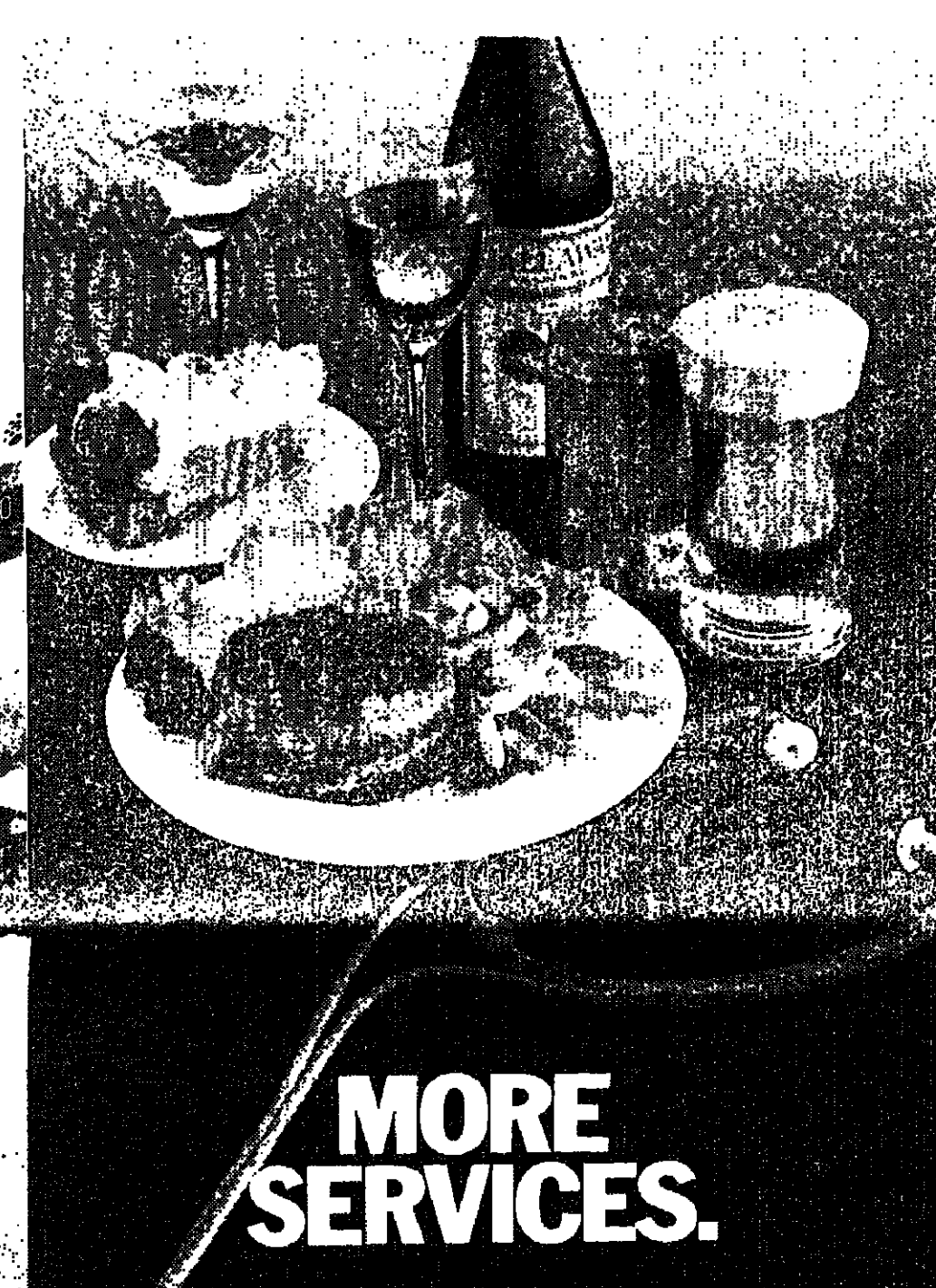
MORE SPEED.

American video entertainment like NBC Sportsworld or CBS Magazine of the Air. Programmes exclusive to Continental.

And More. For one, we have our own terminal at Los Angeles with our own friendly ground staff.

So if you have to make a connecting flight, it means you don't have to change terminals. You save lots of time. And lots of legwork.

Then there's our network. We have frequent flights daily out of Los Angeles alone to over 30 cities from coast to coast. All the major business centres too. New York, Denver, Houston, Washington D.C. to name just four.



MORE SERVICES.

Which has to be good for your business. And also for your cargo. Because with our single carrier service it means your freight is never out of our sight.

So whether you're going to Australia, Honolulu, or Mainland America, you couldn't ask for more. Just ask your travel agent.



The Proud Bird with the Golden Tail.

CONTINENTAL AIRLINES
U.S.A./Canada/Mexico/Hawaii/Micronesia/Australia/New Zealand/Fiji/Samoa/and the Orient.
You should see us now.



Practising what we preach: lifting the limits on

by Sue Green

NIUEANS will not buy Gary Cooper's soft drinks. They say the drinks are flat and prefer New Zealand canned ones which, despite high freight costs, sell for almost the same price.

Cooper's drinks company, a venture set up under the Pacific Islands Industrial Development Scheme, is one case of an import substitution scheme which has not worked well. There are others.

Now the plea by Western Samoa's Director of Economic Development, Hans Kruse, "we would like to see more exports", is echoing throughout the Pacific nations involved in the scheme.

Cooper started Niue products soft drinks company 2½ years ago to cover overheads while he set up a coconut cream canning operation.

Because Niue was not showing an interest in PIIDS, the New Zealand Department of Trade and Industry officials who run the scheme bent over backwards to help him, Cooper says.

For eligibility purposes his canning and bottling operations were split into two ventures so he could receive \$13,000 — more than the maximum \$10,000 small venture grant for one project.

But the drinks have not sold. Most of the 1200 two-dozen cases produced each week are in storage and Cooper has had to lay off staff. He blames the Niue Government because it will not reduce the flow of imported soft drinks, as he says it promised to.

But the Government's financial secretary, Noel Venner, says there was no promise.

Something is wrong if Cooper, with a product that is mainly water, cannot undercut the price of drinks freighted

from New Zealand, he says.

The basic problem is quality. The drinks are not liked. Niue Hotel manager John Furiaki says they are flat. He no longer stocks them. But Cooper says quality would improve with more sales and he has high hopes despite the setbacks.

But meanwhile, the drinks venture financed by PIIDS and listed by Trade and Industry as creating five jobs, employs three women. The canning operation, also financed and listed as creating 15 jobs, does not exist.

As in Niue and the other PIIDS countries, Samoa's PIIDS ventures have mostly been import-substitution oriented — but not all successfully.

Caxtons, for instance, run a toilet paper processing operation there; Papa Industries. It is basically packaging and winding. Yet although imports are restricted to give it some protection, most Samoan stores stock softer, more-on-the-roll-for-the-same-price American paper imported from Pago Pago.

But there has been one big stumbling block to attracting more export-oriented industries — that's apart from obvious problems such as distance and transport costs. It is the main criticism of the PIIDS scheme — lack of access to the New Zealand market.

Most of the countries taking part in the scheme have told Trade and Industry they think the access criteria should be loosened from the stringent, case-by-case basis. Fiji has been one of the most vocal critics.

Its Permanent Secretary for Commerce and Industry, Lai Qarase says: "We certainly would have liked more favourable treatment of products out of joint ventures into New

THIS is the second in a two-part series by Sue Green of the *Evening Post*, who recently returned from a two-month tour of the Pacific during which she examined the New Zealand Government's Pacific Islands Industrial Development Scheme.

Zealand... the lack of access for PIIDS goods has negated some of the scheme's advantages."

New Zealand is Fiji's biggest, closest market and naturally, because of distance if nothing else, it would be most attractive to people setting up in Fiji, he says. But the restrictions have played down that attraction and the emphasis has been on setting up joint-ventures for third markets.

New Zealand is accused of taking the credit for promoting Pacific industry — as long as what is made does not arrive on its own wharves.

The companies themselves

are critical of the Government for this.

Edwin Franken, manager of Tropical Foods, a ginger processing venture in Suva, says creating a new market for the Auckland parent company was one of the main aims in joining the Fiji venture with the National Marketing Authority of Fiji.

But since then the story has been one of constant problems getting a licence to import what is needed in New Zealand.

"It does not happen automatically, but with pressure they normally yield," he says of the Trade and Industry Department. But that pressure takes hours of unnecessary

work, phone calls, trips to New Zealand. They should be more flexible, he says.

One or two projects have been discouraged because of the access provisions they wanted, the department's Francine Porteous says.

This has come particularly from Fiji and Tonga which do not have such favourable terms with New Zealand as do countries with a historical relationship and trade preferences, such as Niue, Western Samoa and the Cook Islands.

"The New Zealand Government made it quite clear that it preferred projects not aimed at the New Zealand market. The way things have worked out we have found most of the ventures have been aimed at local island markets," Lloyd said.

Although the department uses that as a justification for

the access provisions, it seems chicken and egg situation — probably most ventures were aimed at island markets because they had little choice.

Although it made no special provisions for PIIDS projects, Pacific countries are now counting on some relief for their projects and bigger potential to attract new ones from the South Pacific Area Regional Trade and Economic Co-operation Agreement (Sparteca) signed in July at the South Pacific Forum meeting in Tarawa.

It is a non-reciprocal free trade agreement between New Zealand, Australia and the 12 Forum countries — except it's not totally free because some products are not included.

New Zealand has not included tomatoes, capsicum,

access for Pacific-made joint-venture products

apparel and footwear to protect local industries. Some of the Niue, Cooks, Samoa preferences are to be retained, so there will not be unrestricted access for their key products — frozen passionfruit, pulp, some fruit juices, canned pineapple, copra, coconut oil and coconut cream.

So some areas in which PIIDS countries would like to develop their industries, perhaps with the scheme's help, are still closed at this end.

Because these are important areas to them, the restrictions go some way to undermining the extensions of PIIDS to cover agricultural products.

They may also mean that, without the New Zealand market for which to develop their own resources, they are forced to go to less local products using imported raw materials — such as the Tongan woolen jumpers PIIDS ven-

ture, criticised by Corso as locally irrelevant.

Western Samoa's Kruse says the agreement has improved access for his country's wood and coconut products. Tariffs meant it was hard for manufacturers to move into those areas.

In the spirit of give and take, Samoa got some unexpected concessions on textiles, he says.

So by and large the agreement should improve trade. But because of the built-in local protections it still cuts out some important products, for instance, the garment industry, so not all problems will be solved, he says.

Fiji too is unlikely to see the agreement solving all problems. Before the agreement was signed, Qarase was taking a positive approach: "After that I see PIIDS expanding more

rapidly and force transfer of more industry from New Zealand to the Pacific because of access arrangements and lower costs in Fiji.

"We are the taker," he said of Sparteca.

But after he made those comments in June, Fiji refused to sign the agreement until this month.

A backtrack by the New Zealand Government on an agreement to take more orange juice from Fiji led to that refusal.

The Trade and Industry Department's Porteous says it is too soon to say whether Sparteca has created more interest.

She expects it will, especially

competition with industry here, she says.

There are always many inquiries, but there may not be an upsurge until next year, she says.

But she warns that there will still be the constraints of island locations, problems such as freight costs would still apply, even with the New Zealand market available.

Before they can inquire about the scheme, companies have to know it exists. A universal complaint from the countries taking part is that it is badly publicised.

Tonga's Labour, Industries and Commerce secretary, S Raghavan, says more New Zealand businessmen should hear of it. Tonga is publicising it in its own brochure.

One Samoan source said the scheme needed more promotion to attract the right type of

business, not just those looking for a fast buck.

Certain industries needing development should be identified and people in New Zealand approached to take up the chance, rather than waiting for them to come up with an idea.

Trips to show businessmen what is happening in the Pacific should be organised, rather than only starting to pay at the more advanced feasibility study stage, he said.

Fiji could do more to push the scheme and planned to, said Qarase, who echoed the complaint that not enough people knew about the scheme.

Trade and Industry officials also agree it could do with more promotion and say they are trying to do this. It was slow getting off the ground at first but a momentum has built up and it can only make an impact over a long time, Lloyd says.

There is general agreement that businessmen should know more about PIIDS and the countries involved want changes so potential investors will like what they find.

Access to New Zealand markets is certainly the biggest stumbling block. The Pacific nations want a move away from import substitution and third country markets. They see New Zealand as their nearest big neighbour and one which is not only a major trading partner, but which has a reputation of doing them. They eye it as a lucrative market and they want in.

But Corso's Tony Truitt sees it as a dangling carrot with a rotten centre. "It's just man's begging and his children are starving he will accept a carrot you offer it. But you should not offer it, you should offer something more wholesome. It is exploiting people's powerlessness to offer such a carrot."

Calls for freer access have come individually from several countries and from both the seminars held since PIIDS started to assess it.

At last year's seminar, Labour's Joe Wadding said: "For years we have had ministers and people travel round the world pleading for access to markets, asking for a fair go. We could well ask ourselves whether as a country we are practising what we preach, particularly for access to markets for products from the

Unless the New Zealand Government loosens up its access restrictions for PIIDS projects in a bid to pacify Pacific countries are likely to take a much closer look at what they are getting out of the PIIDS scheme as aid agencies point out to them that the deal is a bad one.

The Government could find itself faced with the need for a complete review and overhaul of the whole scheme.

How far can you see when you make a business decision?



ADVANCED MARKETING TECHNOLOGY

The positive factor in developing organisations

1200 senior executives from manufacturing, service and government industries in New Zealand have, over the past 13 years, graduated from the

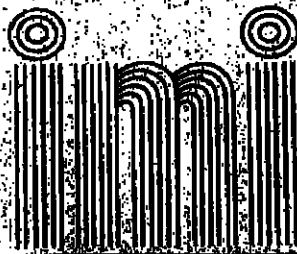
ADVANCED MARKETING PROGRAMME and MARKETING MANAGEMENT SEMINARS

The Fourteenth Programme emphasising the skills of analysis, judgement and decision-making, will be held at

University of Waikato
1-27 February 1980

Participation in these programmes is an investment for the future and every Board should have a marketing specialist among its Directors.

Descriptive brochures are available from:



International Marketing Institute
P.O. Box 2403
Wellington
Telephone 364 1111

With Computer Consultants' Qicplan, you can look before you leap!

Most business computers let you know where your company stood last month.

Some business computers let you know where your company stands right now.

Qantel systems from Computer Consultants give you both these perspectives with ease.

But you don't grow by standing still. You grow by aggressively attacking your marketplace, and consistently breaking new ground.

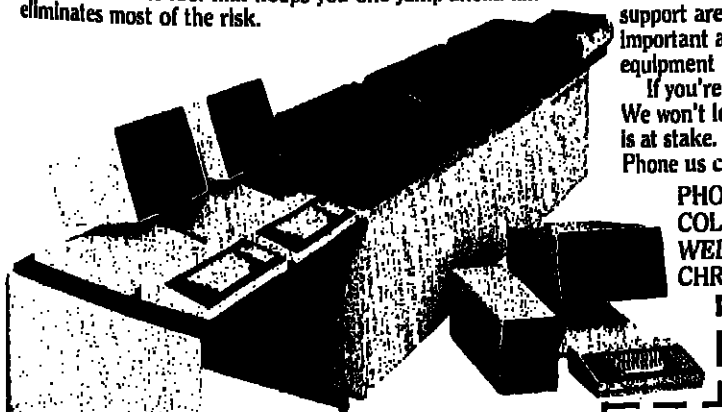
This means you can't afford to fly blind.

Now Computer Consultants bring you an exclusive planning and control tool that keeps you one jump ahead and eliminates most of the risk.

We'll soon be installing our 80th Qantel Business Computer in New Zealand. The reason for our success is the reason you should pick up that phone — we believe that effective systems, back-up service and on-going support are as important as the equipment itself.

If you're looking for a new challenge, accept ours. We won't let you fly blind — the future of your business is at stake.

Phone us collect or clip and post this coupon.
PHONE COMPUTER CONSULTANTS
COLLECT AT AUCKLAND 798-345
WELLINGTON 726-007, OR
CHRISTCHURCH 799-588



It's called QICPLAN — A key component in the Qantel Business Computer. While the standard Qantel business systems keep you on top of your present position, the QICPLAN Management System goes further. Gives you control of the direction in which your business is heading. Lets you anticipate the likely outcome of any number of alternative decisions, and select the best.

Provides answers to questions like: should we introduce that new product, or wait? Will our cash flow support the new venture? Do we have an accurate assessment of the new market size? What if...?

QICPLAN's visionary qualities together with its ease of operation, make it essential ammunition in your business arsenal.

Computer Consultants Ltd

=COMPUTERS-BUREAU-WORD PROCESSING=

P.O. Box 2633 Auckland P.O. Box 492 Wellington
P.O. Box 2640 Christchurch

Please rush me more information about the Qantel/QICPLAN Business Computer.

Name: _____

Address: _____

Phone: _____

Don't waste a minute of your holiday time comparison shopping

When you get to Sydney there'll be all sorts of things you want to do and see. Sure, you'll want to do some duty free shopping. But you can plan it all before you leave and know that at Sterling Nicholas you'll find what you want, at the best price, and get guaranteed satisfaction. Write for our free illustrated brochure.

Sterling Nicholas Duty Free PTY. LTD.

106 Pitt Street • Crest Hotel, Kings Cross
113 Oxford Street, Darlinghurst, Sydney.
Telephone 33 3281

Government administration

Lists inch CER a little further down the track

by Colin James
THE study into the possibility of a closer economic relationship (CER) with Australia has inched a little further down the track with the exchange of lists of items for duty-free trade by officials from both countries.

Broadly the list includes items now carrying less than 10 per cent duty.

As yet there is no common list. And lists still have to be settled for the transitional category and the "too-hard" category — particularly sensitive items.

But officials on both sides are satisfied with progress and are confident they will have an agreed joint report on the

technicalities of CER ready by a planned December meeting of permanent heads of relevant Government departments.

There is a more relaxed attitude now about the exercise. Officials are, for example, now considering it may be possible to operate with duty-free lists that do not quite match "unidirectional free trade" in some items, as one official put it.

The possibility of simply agreeing one common list for the two main categories has emerged. Since any inequalities would last only for the envisaged five-year period, discrepancies may not be as important as was originally

thought. Progress was made also on some of the technical issues at the heart of CER.

By and large the problem of "intermediate goods" — materials and components — appears to have receded as a potential stumbling block.

Now, instead of looking for safeguards in advance, the Australians — whose problem intermediate goods principally are — are looking to specific mechanisms to deal with the relatively small number of items materially involved.

But the sorts of mechanisms envisaged are those which would tend to facilitate trade growth rather than hamper it. Examples are a common external tariff for the intermediate good in question, or a higher area content rule.

Some progress was also

made with export incentives. New Zealand incentives are felt by Australians to be over-generous by comparison with their own and to put their products under unfair competition on home ground.

One possible solution being explored is to make a start on harmonisation in 1982, when the Australian incentives next come up for review. The New Zealand incentives are due to run till 1985.

Issues left open for the next working party meeting next month include the finalisation of lists for the second and third categories, access (particularly to New Zealand where many items are still under import licensing) and Government purchasing policies.

Meanwhile, both manufacturing organisations in the two countries remain broadly po-

sitive about CER, or, in New Zealand's case, at least not obstructive.

At a meeting between the Confederation of Australian Industry and the New Zealand Manufacturers Federation in Tasmania a New Zealand idea was accepted that industry groups on each side should meet to suggest solutions to problems applying particularly to the group in the context of CER.

But such talks are not to interfere with CER progress and in no sense will constitute the sort of veto which effectively blocked progress on Nafta.

Though there is some opposition to CER among manufacturers the majority view is still that of the official federation line — to leave the decision to the Government and not to attempt to block it.

However, that does not stop manufacturers, particularly in New Zealand, from getting nervous about the implications of CER.

The New Zealand manufacturer nervousness is mirrored in a persistent nervousness among agricultural interests in Australia which fear strong competition in certain products.

This nervousness has not been allayed by the voluntary co-operation and restraint agreement reached between the two countries' dairy industries in August.

Whereas some Australian would like that to be a precedent for similar agreements in other products, the New Zealand view is that the dairy agreement was a one-off affair.

Government administration

Cash limits approach reflects a new determination

by Colin James
IN the next few weeks Government departments will come up against cash limits — the Government's new weapon to hold spending.

The cash limits are the central element of the sixth and most sophisticated method to hold spending tried by the National Government since its return to power in 1976.

They are likely to mean that departments either improve efficiency or cut activities, since the limits are unlikely to allow departments to fully maintain their current level of activity.

The cash limits approach reflects a new determination in the Cabinet to reduce state spending as a proportion of the gross domestic product. It was devised by Associate Minister of Finance Derek Quigley and

Treasury assistant secretary Brian Tyler.

Quigley has been openly disappointed at past failures to curb spending sufficiently. An example that particularly irritated him was the real increase in education spending which slipped through the net this year.

The five previous methods used to hold spending have been:

- A detailed review in 1976 of departmental programmes, which resulted in some pruning to reduce the record internal deficit of that year.

- The introduction of the "sinking lid" on staff numbers, which has had mixed success and led to anomalies such as permanent staff being replaced, in effect, by temporary employment programme (TEP) workers.

- A crude refusal over the past three years to allow departments to adjust their programme cost estimates for inflation from July 1 to January of the Budget cycle, thus in effect cutting their real funds by the six-month inflation percentage. This has bred mistrust among departments of the Treasury and the Cabinet, particularly since it hits some departments, who are more at the mercy of inflation, than others.

- The "three-wise-men" review in early 1979 of major cash assistance programmes by the heads of the Treasury, the State Services Commission and the Ministry of Works which resulted in important cost-cutting initiatives.

- The tit-for-tat policy, introduced last year, which denies a department a new programme unless it can find the

money from within its own vote by cutting out or reducing an existing programme.

Central to the difficulty in holding Government spending has been the COPE (Committee of Officials on Public Expenditure) method of protecting the future cost of existing programmes.

This committee has now been abolished, but a smaller group — the permanent heads of the Treasury, the State Services Commission and three other departments — still perform basically the COPE function of agreeing on the cost over the succeeding three years of doing what the departments are currently doing.

The catch is that some programmes have a built-in growth factor and this growth is built into the three-year forecasts. Thus, though no new

programmes are introduced, there may still be what is being called "expenditure creep".

This year's three-year forecasts are expected to be completed by the end of the month.

At the same time the Cabinet will come up with a cash figure of its own — the amount it considers it should spend.

This "desired aggregate expenditure" figure will reflect:

- Overall economic factors; state spending can have an important effect on economic activity;

- A strong Cabinet preference to reduce the amount of the gross domestic product being spent by the state; but

- The need for a gradual shift to avoid disruption; and
- Recognition that much depends on persuading the departments to take a positive approach to the exercise.

From the desired aggregate expenditure figure will be deducted amounts for three purposes: "unavoidable" expenditure, such as servicing the public debt; "unanticipated" extra spending, such as for unemployment benefit; and to meet increases in fees, grants and benefits which, over the long term at least, by and large follow inflation.

For the "unanticipated" element, an "additional spending pool" will be created.

After those deductions have been made the balance will be available for distribution to Government departments for normal programme expenditure.

Assistant secretary Tyler says the aim is to keep the normal expenditure on a steady track. Adjustments to meet largely unpredictable increases or decreases in unemployment and other stabilisation requirements will desirably come from the "revenue side" — by raising or lowering the real tax take — rather than by cutting into or expanding other Government spending.

Thus, there will be a certain year-to-year flexibility in the "desired aggregate expenditure" figure, though in the longer term — over, say, two or three years — it will be expected to average out at the desired figure.

Another factor will weigh in determining the final balance available for normal spending: the danger of diseconomies, of distortions in the use of resources, if drastic cuts are forced on individual departments.

This would not be a factor if the balance for normal spending was the same as the three-year forecast. But it is unlikely to be lower.

The Cabinet will decide within the next few weeks whether to go with its own desired figure, or the three-year forecast, or, more likely, settle for something in between. The balance for normal spending will then be divided up among departments, probably in very much the same proportions as their individual three-year forecasts represent proportions of the total three-year forecasts.

(Fast relative shares of the cake will not, however, be sacrosanct. The Cabinet will determine relative priority claims as between departments for resources and is likely to favour industrial development over social spending.)

Meanwhile, a planned "envelope" system, under which similar votes are grouped and the individual ministers trade off programmes among each other has been shelved until more is known about the Canadian experiment in the field.

It will then be up to the individual departments to make the necessary savings. If they don't, the Treasury will do it for them.

To make it fair there will be adjustments for windfall savings, due to fluctuating demand for a department's services or demographic changes.

By mid-November the departments will be expected to submit details of their new programmes which they will be expected to fund from within their new provisional allocations.

This year any built-in "significant" increase in an existing programme will be counted as a new programme.

Thus, to finance new programmes or existing increases in significant ones, departments will have to make savings elsewhere in their activities.

This has become known as the "tit-for-tat" arrangement. Tyler says the new system recognises that "much more in terms of programme review is possible if the initiative is generated from within departments — through self-examination by people close to the scene."

Past reviews of existing policy reviews have not on the whole been successful or productive, Tyler feels. Perhaps because there was no incentive to give up "suboptimal" programmes. "There was no quid pro quo."

Tit-for-tat mark one had a similar defect. The department had to give up the programme before it knew whether the Cabinet would approve the new programme proposed in its place. Because they might finish up with nothing, departments have been chary of giving up programmes in the first place.

This year they are to get credits guaranteeing them the money for some new programme, even if it is not the one they originally ask for.

The new system's effectiveness will depend broadly on two factors: department's recognition that it is here to stay and their willingness to weed out low-priority or low-productivity programmes.

For instance, Quigley says the Social Welfare and Health Departments have made searching reviews of their programmes and adjusted to the idea of working within limits, that probably owes something to their energetic minister, George Gair. Gair has already applied — and stuck to — cash limits for hospital boards.

The hospital boards are an example of what may happen among departments — an initial kick for political touch, by blaming service cuts on the Government, and then gradual acceptance that the new regime is here to stay and a start on learning how to live within it.

Tyler acknowledges that the "easy life" will still appeal to some departments, but is confident that as rhetoric is matched by Government determination — in contrast to past ploys — the new system will become productive.

Meanwhile, a planned "envelope" system, under which similar votes are grouped and the individual ministers trade off programmes among each other has been shelved until more is known about the Canadian experiment in the field.



Without us, Australia might as well be on the other side of the world.

Australia. Our closest and biggest trading partner. Just 2295 km away.

Yet it might as well be on the other side of the world but for one thing. The existence of a rapid, regular Trans Tasman cargo shipping service — a fleet of modern roll-on roll-off vessels devoted to Trans Tasman trade.

NZ Agents:
Union Maritime Services
Auckland 774-730 Nelson 83-014
Tauranga 53-199 Lyttelton 7149
Wellington 850-799 Dunedin 777-201

union shipping

Union Steam Ship Company of NZ Ltd

Seal your product in
**PLASTIC/
CELLOPHANE/
PVC/NYLON/etc.**

Free catalogue & price list of
sealing machines.
Off-the-shelf or custom built.
Hot wire, impulse, crimp-jaw,
shrinkwrap, VHF welders.

Ask the expert: **Peter Turner.**
SCOT-TURNER ELECTRONICS Ltd.
Tel: 575-520, Box 14-326, Auckland.

Twinlock

**We make
your office work better**

SUSPENSION FILING, ACCOUNTING
& ANALYSIS, RING BINDERS, SASCO
CHARTING, VISIBLE RECORDS,
COMPUTER STORAGE, BUSINESS
PRESENTATION AIDS, FLEETWING MEMO
SETS.

Enquire now at your local stationer or
Twinlock New Zealand Limited,
Auckland: P.O. Box 1082, Tel: 775-164.
Wellington: P.O. Box 38-482 Petone.
Tel: 862-540.
Christchurch: P.O. Box 1989.
Tel: 799-953.

Competitive Continental puts own staff on counter

by Warren Berryman

CONTINENTAL Airlines has taken its passenger-handling contract from Air New Zealand and will put on 24 staff to run its own passenger counter.

Chronically overstaffed Air New Zealand told Continental it would have to put on extra staff and charge higher prices to service Continental's new Honolulu-Auckland-Sydney flight. Air New Zealand suggested that, if Continental wanted to maintain the past charges, it should put back its flights out of Auckland two hours to leave after Continental's business traffic arriving from Honolulu had taken the first plane out, the Air New Zealand flight.

Continental's vice president for sales and marketing, Barrie Duggan, said it looked like Air New Zealand wanted Con-



Barrie Duggan... confident of merger prospect

tinental to fly to Sydney with empty planes.

Continental will handle its own passenger services counter.

Freight handling, ramp services, and catering will continue to be handled by Air New Zealand. Continental has contingency plans to take all this

business away from Air New Zealand if necessary.

Continental is planning to merge with Western Airlines. It has asked the American Civil Aeronautics Board for expeditious approval and expects President Carter to approve the merger before the November elections.

Continental tried to merge with Western two years ago and was turned down by the CAB.

Duggan said on the previous occasion that the CAB was acting cautiously because the American de-regulation policy had been in force only a short time and no one knew exactly how it would turn out.

Now that de-regulation has been in effect for some time, Duggan said he was confident CAB's previous objections to the merger had been overcome.

Continental's United States services run East-West, Western's run North-South

Merging the two services will tie the knot in the network at the crossroads.

The area served by Continental and Western provides 80 per cent of the American tourist traffic bound for the Pacific, Duggan said.

The merger will give Continental seven American gateways to the Pacific where Continental had only one. These gateways are Anchorage, Portland, Seattle, San Jose, San Francisco, Los Angeles and San Diego.

Continental is committed to expanding its American tourist traffic into Australia and New Zealand.

Western is to start a Honolulu-London service this month. When Western and Continental merge, the company should be in a position to file for promotional fares on the Auckland-London route, threatening the Air New

Zealand-British Airways London route.

Meanwhile New Zealand's Government-owned airline is suffering from chronic overstaffing, heavy losses, strikes, post-merger costs and loss of face in the marketplace.

Air New Zealand monitors its public image with market research surveys.

In-house market researcher, Hajo Topzand said the main complaint came from the most-frequent travellers who used to get VIP treatment but was now finding the same service was not being provided unless they were willing to pay for first class. This, said Topzand, was a problem shared by all airlines.

He said his research indicated that the media was anti-Air New Zealand while the

public was pro the national carrier.

"This country is out to destroy its own airline," he said. "When this happened, he said, the New Zealand tourist industry would be subjected to the sort of blow suffered by Fiji when Pan Am pulled out of the country."

Air New Zealand is also coming under fire from travel agents and in-bound tour operators.

Air New Zealand is crying crocodile tears about other airlines offering kickbacks and extra commissions to travel agents in an attempt to get them to funnel passengers onto their carriers.

Many agents have little sympathy for Air New Zealand, pointing out that the airline started it all with deals such as Jetset, Link and Giltagay.

Coaching catches on in US travel market

AN American company is pioneering a new way of travel for young people who are keen to see as much as possible for as little as possible.

Modelled on similar operations in Europe, Aventours has already handled over 10,000 young people from around the world, about half of them from Australia, South Africa and New Zealand.

The company conducts guided coach tours of the United States, with the travellers sleeping in tents and sharing cooking and other duties.

The cost of travel can, therefore, be sharply reduced, without cutting out the attractions, or reducing the length of the trip.

The formula has already proved successful in Europe. Its introduction in the United States travel market came only recently.

Aventours started operations only two years ago, growing out of the former United States Student Travel Service. Aventours president, Paul Christianson, is surprised that long haul coach travel did not evolve sooner in America.

"For Americans, touring their own country by coach is a new idea in the holiday market. Long haul coach travel has always had negative connotations."

Fewer than one in 10 of the company's passengers are locals, but Christianson says Australians and New Zealanders have been quick to respond to the concept.

"People from Commonwealth countries understand and know what camping is all about. The concept had immediate awareness for them."

"Unlike Europe, most of the attractions of the United States are not in the centres of the cities — they may not be in the cities at all."

"It therefore seemed natural that the best way for people to enjoy places like the Grand Canyon for their fullest was for them to stay nearby, and have plenty of time to take them in."

Ironically, the impact of rising fuel costs, particularly on air fares, is pushing people back to travelling by road for their holidays.

Most Americans touring by road drag their portable home behind them. Roughing it American-style means watch-

ing the evening news on the portable colour television under a mosquito net outside the eight metre, air conditioned, luxury caravan.

But in the under-25 singles/young married market, Christianson says the idea of travelling with other young people is beginning to catch on.

"When it does take hold in the United States, the market will grow rapidly," he says.

The formula, which has been tried and tested for a number of years in the European youth market, makes a lot of sense.

A four-week trip from San Francisco to New York costs \$NZ800 which includes food, accommodation and admissions to most attractions.

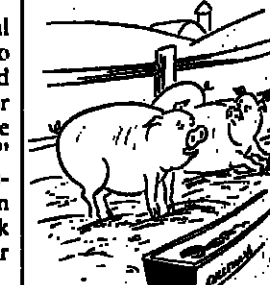
This compares with \$NZ350 for unlimited airline travel for the same length of time, with hotel accommodation at \$20-25 a night at the cheaper places, rising to \$35-50 for a medium priced room.

Aventours offer a range of tours from 14 days to 47 days for a complete circuit of the United States, as well as meet tours which follow the camping tours routes.

A crew of three (driver, cook and courier) accompany each tour to supervise the sharing out of duties, performed on a roster basis.

"We've taken the fun out of touring by bringing food and cooking it ourselves, and by staying in cheap but comfortable camping grounds."

"That means the passenger has time to enjoy the trip without worrying about where they're sleeping tonight or getting a cheap meal," Christianson says.



"Well, I like the way they're doing it," says a young man.

Duty-free does not spell European bargain

by John Bishop

COMMON Market officials are spearheading a campaign to stamp out rip-off practices among the community's numerous duty-free shops.

Numerous cases, reported to the EEC Commission, show that some duty-free shops are selling goods for a higher price than regular shops in other parts of the city are charging.

Travellers, with spare currency from one country, are easily attracted to buy goods prior to departure but the best advice is to shop around.

quantity could have been bought in a Danish department-store, properly labelled and posted to his home — for only \$50.

Duty-free shops may sell goods free of duty or tax for departing travellers, but they are businesses like any other and have to meet their costs and overheads.

With the exception of Amsterdam's Schiphol Airport, none of the airport authorities in Western Europe exercise any control over the prices charged by the concessionaires under their roofs.

No-one says that the duty-free shop has to undercut the non-duty free price of a good.

Hence a T-shirt of Piccadilly Circus can sell for \$6 at Heathrow and \$4 in Piccadilly.

If there are problems deciding where in a country to buy goods there are also differences between countries' duty-free shops:

• Marlboro cigarettes: A carton tax free is \$8.90 at Heathrow, \$8.20 at Charles de Gaulle in Paris.

• Perfume: A 4oz bottle of Chloé eau de toilette is \$31 at Heathrow, \$23 in Paris, and \$20 in Milan.

• Scotch: A litre of J&B is over \$9 at Heathrow, nearly \$14 at Charles de Gaulle, and only \$6 in Milan.

And if all that sounds complicated, the story gets worse. Some countries will sell tourists goods tax free, provided they are for export.

A foreign passport will get you 15 per cent discount in many shops in France, and the perfumeries push that angle hard.

The standard sales tax in France is more than 17 per cent and, on luxury goods, is often up to 33 per cent. But any discount can be made to seem like a bargain.

There's also the problem of getting the rebate. In France the goods have to be shown at the departure point and the relevant reclaim forms produced. You can't claim a rebate for any good worth less than 800 francs (about \$200).

You have to produce a stamped-addressed envelope to send back to the store so that they can forward the rebate to

you. Not easy for a traveller on a busy schedule, because the rebates are not fast in coming.

In one case a camera bought in Holland entitled the buyer to a rebate of \$80. It took 15 months and several letters to get it.

Perhaps the easiest places to get rebates (in Europe anyway) are Austria and Germany. In both countries the shops will give a receipt showing the sales tax which the traveller reclaims from customs officials at the border. But the goods still have

to be produced, and the rebate is not that high, 10 per cent — 12 per cent at most.

In New York or Los Angeles the purchasing procedure is becoming like the bargaining ritual in Fiji or Singapore.

Both cities have relatively high sales taxes — 8 per cent in New York — but for goods like cameras, stereos and radios dropping the charge is the first concession the traveller will be offered.

Next is discount for cash if the traveller offers not to use a

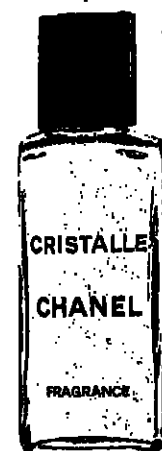
credit card. Then you can get down to the nitty-gritty of the price. After those two concessions it's over to your own bargaining skill.

In the European Common Market countries have been considering doing away with duty-free altogether. The EEC Commission argues that duty-free sales between member-countries are contrary to the EEC policy aimed at standardising both the movement of goods among member states

and at setting common taxes on those goods.

Bills aimed at the abolition of duty-free have been introduced into the Parliaments of several EEC countries, but huge lobbies have prevented them becoming law.

Meanwhile the duty-free system continues because every traveller has an eye for a bargain. But in some cases the sign duty-free should have the words added — "sometimes" or "perhaps".



Perfume... price varies from \$1 to \$20

Part of the blame for the rip-offs is being put upon national governments and airport authorities which levy high charges on airport concessions as a way of financing the cost of development.

Some recent cases show that duty free does not necessarily spell bargain:

• Frankfurt Airport: A pocket calculator bought at the duty free stand costs more than the same calculator down-town;

• Geneva Airport: The stand stocks only the largest and most expensive sizes of chocolate, and charges accordingly. A traveller can buy twice as much by weight in the city stores;

• Copenhagen Airport: American-bound travellers are allowed to import smoked salmon into the United States. One American bought a quantity for \$60. It was confiscated by American customs because of poor labelling. The same

THREE DAYS YOU'LL NEVER FORGET

SALES AND MARKETING EXECUTIVES INTERNATIONAL celebrates its New Zealand NATIONAL CONVENTION in Auckland, November 3rd, 4th, 5th 1980, with —

A UNIQUE SEMINAR ON SALES & MARKETING

You've never had a greater need. We've never had a better team. Sales talk? You bet. So come and hear the news — good and bad — from a truly outstanding list of Australian and New Zealand speakers.

This is a full-participation seminar. Meet the speakers. Debate the issues. Attend the NZ Marketing Award Dinner. Above all, don't miss this opportunity to shape your own destiny for the 80s. Send the enquiry coupon right now.

ENQUIRY COUPON

NAME

ADDRESS

CITY

POSTAL CODE

TELEPHONE

SIGNATURE

DATE

TIME

As an incentive or meeting destination, we have it all.

Hong Kong is decidedly unique, with a list of activities ranging from sumptuous Chinese cuisine of infinite variety, to famous duty-free shopping.

There are temples, shrines, and historical architecture, special oriental theme parties and cultural events; visits to outer islands and even day trips into China.

Hong Kong, easily accessible and serviced by over 30 major airlines, costs far less to get to than you imagined.

Hong Kong prides itself on the experience and enterprize of its many hotels, restaurants, tour operators and organizers, all geared to provide maximum satisfaction with special events tailored to meet your specific needs. Luxurious and distinctive, the growing number of hotels all offer impeccable service.

Incentive motivation: Hong Kong is unparalleled as an incentive destination. Just the mention of its name generates the enthusiasm and excitement that encourages and promotes greater productivity. What greater reward than the action, mystery and romance of this exotic Far Eastern city?

No city in the world is quite like Hong Kong in its visual appeal. Especially at night, when Hong Kong's famous lights come alive from the waterfront all the way to the top of Victoria Peak.

Successful meetings: The most energetic business centre in all of Asia, Hong Kong guarantees your success through supportive personnel and facilities. We're not called "the Boardroom of the Orient" for nothing. And those who come here will find the stimulation and enthusiasm of Hong Kong an exciting challenge.

And once here, neighbouring Asian countries and China itself are close at hand for pre and post tours.

The Hong Kong Tourist Association has the contacts and the experience to help you organize your meeting down to the last detail. You'll find our recently updated "Meeting Guide to Hong Kong" an invaluable tool to assist your planning.

For the Meeting Guide, Incentive Kit, and other information on what Hong Kong and the HKTA have to offer, just send us the coupon.

香港 HONGKONG



Incentive Guide to Hong Kong

To: Hong Kong Tourist Association, G/F General Buildings, 29-31 Shortland Street, P.O. Box 2120, Auckland.

Please send the following publication: ☐ Incentive Guide to Hong Kong ☐ Meeting Guide to Hong Kong

Name _____

Title _____

Company _____

Address _____

Tourism

Competitive Continental puts own staff on counter

by Warren Berryman

CONTINENTAL Airlines has taken its passenger-handling contract from Air New Zealand and will put on 24 staff to run its own passenger counter.

Chronically overstaffed Air New Zealand told Continental it would have to put on extra staff and charge higher prices to service Continental's new Honolulu-Auckland-Sydney flight. Air New Zealand suggested that, if Continental wanted to maintain the past charges, it should put back its flights out of Auckland two hours to leave after Continental's business traffic arriving from Honolulu had taken the first plane out, the Air New Zealand flight.

Continental's vice president for sales and marketing, Barrie Duggan, said it looked like Air New Zealand wanted Con-



Barrie Duggan... confident of merger prospect

tinental to fly to Sydney with empty planes.

Continental will handle its own passenger services counter.

Freight handling, ramp services, and catering will continue to be handled by Air New Zealand. Continental has contingency plans to take all this

business away from Air New Zealand if necessary.

Continental is planning to merge with Western Airlines. It has asked the American Civil Aeronautics Board for expeditious approval and expects President Carter to approve the merger before the November elections.

Continental tried to merge with Western two years ago and was turned down by the CAB.

Duggan said on the previous occasion that the CAB was acting cautiously because the American de-regulation policy had been in force only a short time and no one knew exactly how it would turn out.

Now that de-regulation has been in effect for some time, Duggan said he was confident CAB's previous objections to the merger had been overcome.

Continental's United States services run East-West, Western's run North-South

Merging the two services will tie the knot in the network at the crossroads.

The area served by Continental and Western provides 80 per cent of the American tourist traffic bound for the Pacific, Duggan said.

The merger will give Continental seven American gateways to the Pacific where Continental had only one. These gateways are Anchorage, Portland, Seattle, San Jose, San Francisco, Los Angeles and San Diego.

Continental is committed to expanding its American tourist traffic into Australia and New Zealand.

Western is to start a Honolulu-London service this month. When Western and Continental merge, the company should be in a position to file for promotional fares on the Auckland-London route, threatening the Air New

Zealand-British Airways London route.

Meanwhile New Zealand's Government-owned airline is suffering from chronic overstaffing, heavy losses, strikes, post-merger costs and loss of face in the marketplace.

Air New Zealand monitors its public image with market research surveys.

In-house market researcher, Hajo Topzand said the main complaint came from the most-frequent travellers who used to get VIP treatment but was now finding the same service was not being provided unless they were willing to pay for first class. This, said Topzand, was a problem shared by all airlines.

He said his research indicated that the media was anti-Air New Zealand while the

public was pro the national carrier.

"This country is out to destroy its own airline," he said. When this happened, he said, the New Zealand tourist industry would be subjected to the sort of blow suffered by Fiji when Pan Am pulled out of the country.

Air New Zealand is also coming under fire from travel agents and in-bound tour operators.

Air New Zealand is crying crocodile tears about other airlines offering kickbacks and extra commissions to travel agents in an attempt to get them to funnel passengers onto their carriers.

Many agents have little sympathy for Air New Zealand, pointing out that the airline started it all with dead-end jetset, Link and Chinway.

Coaching catches on in US travel market

AN American company is pioneering a new way of travel for young people who are keen to see as much as possible for as little as possible.

Modelled on similar operations in Europe, Aventours has already handled over 10,000 young people from around the world, about half of them from Australia, South Africa and New Zealand.

The company conducts guided coach tours of the United States, with the travellers sleeping in tents and sharing cooking and other duties.

The cost of travel can, therefore, be sharply reduced, without cutting out the attractions, or reducing the length of the trip.

The formula has already proved successful in Europe. Its introduction in the United States travel market came only recently.

Aventours started operations only two years ago, growing out of the former United States Student Travel Service. Aventours president, Paul Christenson, is surprised that long haul coach travel did not evolve sooner in America.

"For Americans, touring their own country by coach is a new idea in the holiday market. Long haul coach travel has always had negative connotations."

Fewer than one in 10 of the company's passengers are locals, but Christenson says Australians and New Zealanders have been quick to respond to the concept.

"People from Commonwealth countries understand and know what camping is all about. The concept had immediate awareness for them."

"Unlike Europe, most of the attractions of the United States are not in the centres of the cities — they may not be in the cities at all."

"It therefore seemed natural that the best way for people to enjoy places like the Grand Canyon to their fullest was for them to stay nearby, and have plenty of time to take them in."

Ironically, the impact of rising fuel costs, particularly on air fares, is pushing people back to travelling by road for their holidays.

Most Americans touring by road drag their portable home behind them. Roughing it, American-style means watch-

ing the evening news on the portable colour television under a mosquito net outside the eight metre, air conditioned, luxury caravan.

But in the under-35 singles' young merricks market, Christenson says the idea of travelling with other young people is beginning to catch on.

"When it does take hold in the United States, the market will grow rapidly," he says.

The formula, which has been tried and tested for a number of years in the European youth market, makes a lot of sense.

A four-week trip from San Francisco to New York costs \$12,800 which includes food, accommodation and admissions to most attractions.

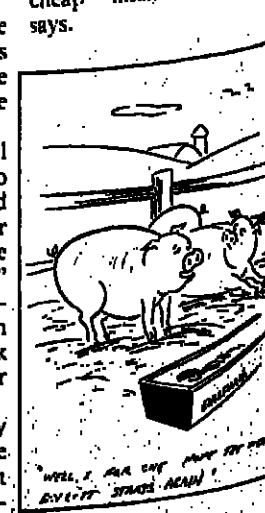
This compares with \$12,335 for unlimited airline travel for the same length of time, with hotel accommodation at \$20-25 a night at the cheaper places, rising to \$35-50 for a medium priced room.

Aventours offer a range of tours from 14 days to 47 days for a complete circuit of the United States, as well as motel tours which follow the camping tours routes.

A crew of three (driver, cook and courier) accompany each tour to supervise the sharing out of duties, performed on a roster basis.

"We've taken the pain out of touring by bulk buying food and cooking it ourselves, and by staying in cheap but comfortable camping grounds."

"That means the passenger has time to enjoy the trip without worrying about where they're to sleep tonight or get a cheap meal," Christenson says.



Tourism

Duty-free does not spell European bargain

by John Bishop

COMMON Market officials are spearheading a campaign to stamp out rip-off practices among the community's numerous duty-free shops.

Numerous cases, reported to the EEC Commission, show that some duty-free shops are selling goods for a higher price than regular shops in other parts of the city are charging.

Travellers, with spare currency from one country, are easily attracted to buy goods prior to departure but the best advice is to shop around.

quantity could have been bought in a Danish department-store, properly labelled and posted to his home — for only \$30.

Duty-free shops may sell goods free of duty or tax for departing travellers, but they are businesses like any other and have to meet their costs and overheads.

With the exception of Amsterdam's Schiphol Airport, none of the airport authorities in Western Europe exercise any control over the prices charged by the concessionaires under their roofs.

No-one says that the duty-free shop has to undercut the non-duty free price of a good.

Hence a T-shirt of Picadilly circus can sell for \$6 at Heathrow and \$4 in Picadilly.

If there are problems deciding where in a country to buy goods there are also differences between countries' duty-free shops:

• Marlboro cigarettes: A carton tax free is \$8.90 at Heathrow, \$8.20 at Charles de Gaulle in Paris;

• Perfume: A 4oz bottle of Chloé eau de toilette is \$31 at Heathrow, \$23 in Paris, and \$20 in Milan;

• Scotch: A litre of J&B is over \$9 at Heathrow, nearly \$14 at Charles de Gaulle, and only \$6 in Milan.

And if all that sounds complicated, the story gets worse. Some countries will sell tourists goods tax free, provided they are for export.

A foreign passport will get you 15 per cent discount in many shops in France, and the perfumeries push that angle hard.

The standard sales tax in France is more than 17 per cent and, on luxury goods, is often up to 33 per cent. But any discount can be made to seem like a bargain.

There's also the problem of getting the rebate. In France the goods have to be shown at the departure point and the relevant reclaim forms produced. You can't claim a rebate for any good worth less than 800 francs (about \$200).

You have to produce a stamped-addressed envelope to send back to the store so that they can forward the rebate to you. Not easy for a traveller on a busy schedule, because the rebates are not fast in coming.

In one case a camera bought in Holland entitled the buyer to a rebate of \$80. It took 15 months and several letters to get it.

Perhaps the easiest places to get rebates (in Europe anyway) are Austria and Germany. In both countries the shops will give a receipt showing the sales tax which the traveller reclaims from customs officials at the border. But the goods still have

to be produced, and the rebate is not that high, 10 per cent — 12 per cent at most.

In New York or Los Angeles the purchasing procedure is becoming like the bargaining ritual in Fiji or Singapore.

Both cities have relatively high sales taxes — 8 per cent in New York — but for goods like cameras, stereos and radios dropping the charge is the first concession the traveller will be offered.

Next is discount for cash if the traveller offers not to use a

credit card. Then you can get down to the nitty-gritty of the price. After those two concessions it's over to your own bargaining skill.

In the European Common Market countries have been considering doing away with duty-free altogether. The EEC Commission argues that duty-free sales between member-countries are contrary to the EEC policy aimed at standardising both the movement of goods among member states

and at setting common taxes on those goods.

Bills aimed at the abolition of duty-free have been introduced into the Parliaments of several EEC countries, but huge lobbies have prevented them becoming law.

Meanwhile the duty-free system continues because every traveller has an eye for a bargain. But in some cases the sign duty-free should have the words added — "sometimes" or "perhaps".

THREE DAYS YOU'LL NEVER FORGET

SALES AND MARKETING EXECUTIVES INTERNATIONAL celebrates its New Zealand NATIONAL CONVENTION in Auckland, November 3rd, 4th, 5th 1980, with —

A UNIQUE SEMINAR ON SALES & MARKETING

You've never had a greater need. We've never had a better team. Sales talk? You bet. So come and hear the news — good and bad — from a truly outstanding list of Australian and New Zealand speakers.

This is a full-participation seminar. Meet the speakers. Debate the issues. Attend the NZ Marketing Award Dinner. Above all, don't miss this opportunity to shape your own destiny for the 80s. Send the enquiry coupon right now.



This very special seminar marks the 21st Anniversary of SMEI in Auckland

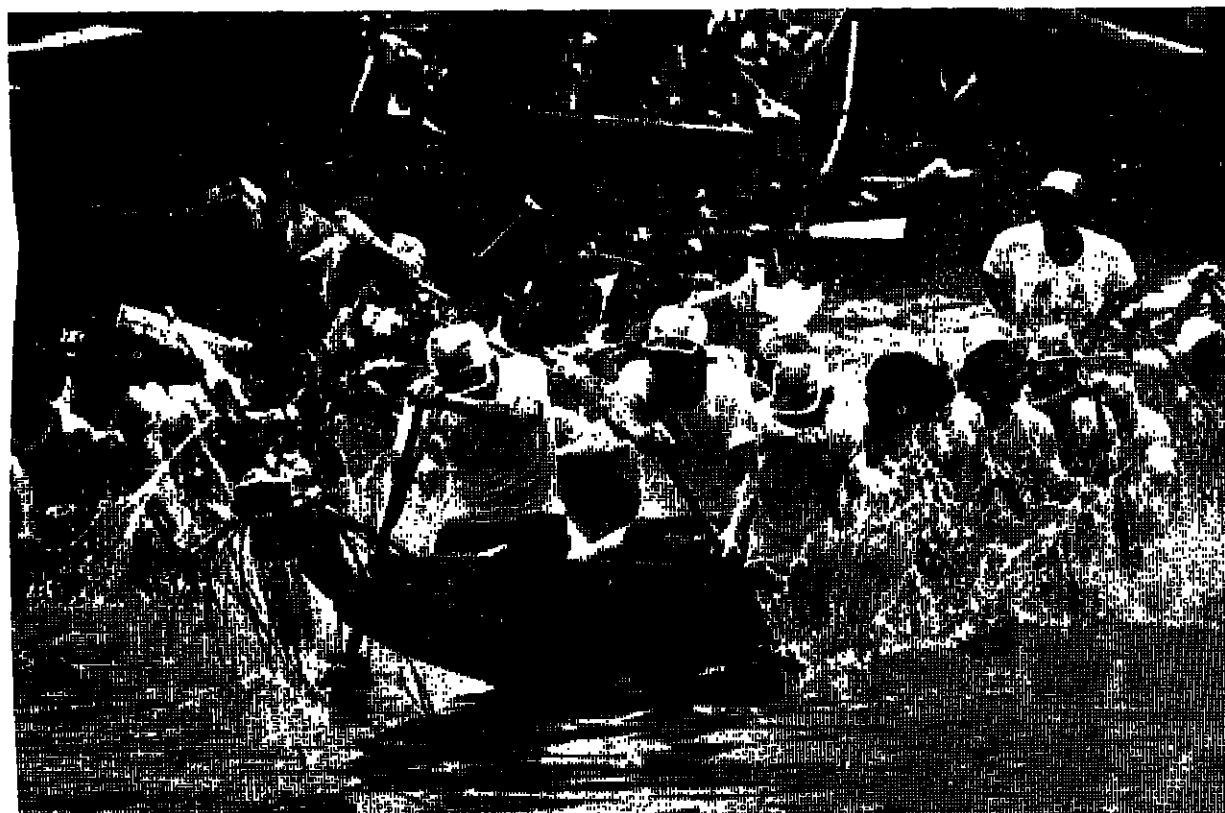
INQUIRY COUPON

Name:

Address:

To: SMEI,
P.O. Box 8703,
SYMONDS ST, AUCKLAND.

Hong Kong motivates. Hong Kong rewards.



As an incentive or meeting destination, we have it all.

Hong Kong is decidedly unique, with a list of activities ranging from sumptuous Chinese cuisine of infinite variety, to famous duty-free shopping.

There are temples, shrines, and historical architecture; special orient theme parties and cultural events; visits to outer islands and even day trips into China.

Hong Kong, easily accessible and serviced by over 30 major airlines, costs far less to get to than you imagined.

Hong Kong prides itself on the experience and entertainment of its many hotels, restaurants, tour operators and organizers, all geared to provide maximum satisfaction with special events tailored to meet your specific needs. Luxurious and distinctive, the growing number of hotels all offer impeccable service.

Incentive motivations: Hong Kong is unparalleled as an incentive destination. Just the mention of its name generates the enthusiasm and excitement that encourages and promotes greater productivity. What greater reward than the action, mystery and romance of this exotic Far Eastern city?

No city in the world is quite like Hong Kong in its visual appeal. Especially at night, when Hong Kong's famous lights come alive from the waterfront all the way to the top of Victoria Peak.

Successful meetings: The most energetic business centre in all of Asia, Hong Kong guarantees your success through supportive personnel and facilities. We're not called "the Boardroom of the Orient" for nothing. And those who come here will find the stimulation and enthusiasm of Hong Kong an exciting challenge.

And once here, neighbouring Asian countries and China itself are close at hand for pre and post tours.

The Hong Kong Tourist Association has the contacts and the experience to help you organize your meeting down to the last detail. You'll find our recently updated "Meeting Guide to Hong Kong" an invaluable tool to assist your planning.

For the Meeting Guide, Incentive Kit, and other information on what Hong Kong and the HKTA have to offer, just send us the coupon.



Incentive Guide to Hong Kong.

To: Hong Kong Tourist Association,
O/F General Building,
29-31 Shortland Street,
P.O. Box 2120, Auckland.

Please send the following publication:
☐ Incentive Guide to Hong Kong
☐ Meeting Guide to Hong Kong

Name:
Title:
Company:
Address:

Money waved players from selfless days of yore

I HAVE lost count of the number of times I have stifled yawns as I listened to people attempting to convince me that sport has plummeted from the hazy, jovial, convivial, splendidly selfless days of yore. From the sepi days when sportspeople knew their places and played only for the aesthetic pleasure and camaraderie to be got from the game. Then, we are insistently and gravely told, the game was the thing, by jove, and everyone hoped that the best person or team would win. What subliminal times they must have been.

No-one cheated, no-one swore at the opposition; no-one gouged, bit, punched; no-one challenged the referee or gave him the fingers when his back was turned... etcetera, etcetera.

Of course I sit and accept this as gospel. I believe. I speak in exultant tongues. I believe, just

BRIAN Turner gives a personal view of the sporting scene in this occasional column.

as I believe that the Norsemen handed out flowers, that Attila the Hun never raised a fist in anger, and that Hitler was really a kind-hearted little soul who unfortunately did not live long enough to see the error of his insane ways.

Slowly and insidiously the rot set in, and that rot, as far as sport is concerned — so we are told — was money. More and more previously meek and mild individuals woke up to the fact that if it was legitimate to make a large whack selling insurance or cars or houses, and so on, there could not be much wrong with sport's participants — those who actually trot out and perform — being paid for playing their part in the proceedings.

And so the number of New

Zealanders earning some money from sport grew, much to the annoyance of some of the more conservative and easily misfired members of both clubs and the community.

The truth is that for a long time a large percentage of people interested in sport could not bear the idea that anyone might make some money out of playing. Professional sport corrupted people and took all the pleasure out of the game. So squeaked the more self-righteous puritans, those to whom high dudgeon, pique and obsession with trivia are commonplace.

If you want an overdose of pettiness or cattiness, of ineptitude sheltering behind the pious robes of the game for the



John Walker... gives a straight answer

game's sake, look to amateur sport.

Let us look at the noble sentiment, "May the best man win". In reality this is acceptable provided he doesn't win too often. In the 1950s Alan Larkins was easily the most outstanding cyclist in Otago



Rod Dixon... no false modesty

and Southland, and also among the top half-dozen in the country, but locally he had many detractors — because he was the best. It did not seem to matter that he had got there, not simply through natural ability, but also because he trained harder than anyone else.

His case was my first encounter with the sort of jealous and spiteful attitude that contaminates a good deal of our sporting life. The old saw about prophets being insufficiently honoured in their own country is unfortunately too true.

I have often been dismayed at the sort of criticism directed at so many of our best sportsmen — the women's turn is soon, no doubt, to come. Dick Quax, John Walker, Rod Dixon, Chris Bouzaid, my namesake the soccer player, and a certain cricketer whose name somehow escapes me, are some of those I have in mind.

The thing I like about these sportsmen, and why I prefer them to most others, is that if they're asked a straight question they nearly always give a straight answer. No mealy-mouthed beating about the bush, no false modesty and a vatful of patriotic schmaltz intended to make them look the nicest of all possible ordinary blokes prepared to lie down and die for team and country. But instead of applauding their honesty and continual magnificent performances, too many of our sports fans sneer, smear, snipe, deride and censure.

Quax has been reported as saying: "As soon as you get too good the media wants to put you back in your place. In doing that, it's only reflecting public opinion. The New Zealand public doesn't like its sportsmen to be brash or outspoken. They like modest retiring chaps, the more uninteresting the better."

In the same article Quax recalled being jeered and booed by a group of social cricketers in the Auckland Domain who were drinking beer while waiting to bat.

This is only too typical as other leading sportsmen will attest. There is no way our sporting public is going to allow anyone to become larger than life, we're too small-minded and thick-headed for that.

When Rod Dixon states that, even though he says it himself, his running under 47 minutes for 10 miles was a tremendous effort he's dead right. Hands up how many people out there could, after say four weeks training, run even one mile in under five minutes let alone 10 miles? About two in 100,000, I'd say. And one other thing — "modest" sure, but Quax is a modest man, a modest athlete, a modest person.



Dick Quax... "want to put you in your place"

ion", since I know of sportsmen who have frequently been led by journalists who offer their own opinions as facts. It has been said that Graham Moore is so aware of this that he says next to nothing. I will appreciate his attitude although it infuriates me.

Eric Watson still admits that he does not really know how to handle the media or how to answer many of their questions.

Just prior to the All Blacks departure for Wales he said that journalists often asked damned silly questions to which he sometimes replied in kind; the only trouble was they were stupid enough to put them. Eric's problem, which has yet to solve, is that he is basically a dry, simple guy who has yet to learn that the only way of being sure of getting your point across is to print yourself.

Come October though and sport begins to shed some of its more stubborn skin. The flying season has arrived in the South and I shall soon, quite often, be stealing along the edges of our threatened and diminishing number of free-flowing rivers, scanning the riffles and runs for those seductive silent choruses of the deep, magnificent trout.

All those, like Dick Quax, who must despair at the number of bloated knockers at our midst, should try a spot of angling once in a while, for it is said that the gods do not deduct from one's allotted life span the hours spent in fishing. Thank that and be thankful, if you have it in you.



MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

MARAC Commercial BILLS
Currency Services
Money Market
Securities Trading
Term Loans
Trade Finance
Corporate Leasing

Spring has sprung but seasons still to come

by Greg Newton

FARMERS are in for a mixed bag over the next few months.

Spring has been unduly kind this year, both down on the farm and in the international trade arena, but summer and autumn threaten to bring a number of problems.

The lamb drop has been a record this year. Last season's wet summer and autumn allowed the ewes to go to the ram in good condition, and the generally warm spring has meant higher than normal lamb survival.

Good news on the trade front has been coming in torrents.

The longstanding wrangle with the EEC over lamb and butter access has been solved for the next year. New Zealand will send 95,000 tonnes of butter to Britain, down by 20,000 tonnes on last year, but we'll be paid 25 per cent more for the product.

The lamb quota granted is far in excess of the quantities that have been sent to Britain in recent years and the reduction in duty, from 20 per cent to 10 per cent, has added about \$3 to the value of each of the millions of lambs now gambolling on spring pastures.

Delight at the conclusion of big lamb deals with Iran and Iraq has been tempered by the war in the Middle-East, but the general feeling is that meat exports are unlikely to be seriously affected.

The early season purchase of mutton by the Russians has led to meat exporters increasing schedule prices for that product in an effort to get old ewes through the works before the main lamb rush.

Diversification out of beef has been a feature of the farming scene for the last three years, but there are prospects of higher prices being realised in the United States, where a drought has cut 40 million tonnes from the feed grain crop. An increase in killing may result from this, but the United States Department of Agriculture experts predict, some say optimistically, that the drought will add one per cent to inflation in 1981.

There are clouds on the silver lining, both at home: the capriciousness of the climate; the uncertainties facing the freezing industry.

The meat export trade faces severe disruption following last week's union call for a national export load-out ban.

The ban, which affects the handling of all export produce during the killing season, will start on November 10 if the 35,000 freezing workers support the call.

Indications are that the country is in for a long hot summer. Throughout the country, September was warmer and windier than average.

"What about the PEOPLE?"
They are an integral part of WORD PROCESSING
IBM
looks after your people

rage and soil moisture levels in many regions, notably Canterbury, are already at very low levels.

The North Island is not yet so seriously affected but early season dairy production is running slightly behind 1979 levels, and the Dairy Board is expecting a drop in butterfat production from last year's record 290 million kg to around 275 million.

If a serious drought does eventuate, its problems could

be compounded by any disruption to the killing season.

Production incentive schemes for farmers — such as the livestock incentive schemes and the land development encouragement scheme — are beginning to pay big dividends.

The stock increases have also been assisted by new heights in farmer confidence, induced by good returns, the comparatively settled climatic conditions of the last two seasons, and the actions of a Government that has supported export in-

dustries for the last two seasons.

In a drought, farmers must be able to have stock condition.

The freezing industry has been relatively peaceful in the last two seasons but the closure of Southdown has upset unions involved in the industry.

While the closure of the works has been widely tipped for at least the last 18 months, the final outcome of the debate contains two certainties. There is no way the Government is going to step in and keep the works open, and there is no way

that freezing workers are going to let the issue drop without letting the industry know the depth of their displeasure.

The next conciliation meeting between freezing workers and their employers is being held today and tomorrow. The outcome of those negotiations of the Southdown issue's impact on prospects for the killing season.

The unions are seeking a 17 per cent wage increase. The potentially divisive is-

sue of new technology will not be part of the award discussions, an agreement that has removed one big area for argument from the equation. Meat processors are keen to introduce devices such as mechanical pelters that will reduce the number of people employed on each killing chain from the present average of about 50.

The opening of the killing season proper is still a few weeks away and it is too early to be predicting any large measure of gloom.



Performance and comfort add up to a car you will enjoy driving.

Get a Driver's Car from Avis and give it the ultimate test drive

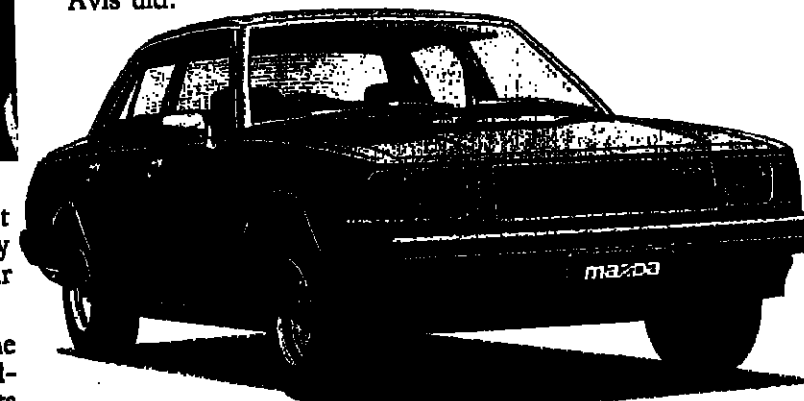
Next time you plan to rent a car, combine business with pleasure and turn it into a test-drive with a Mazda 626 from Avis Rent-A-Car.



Clean, functional interior with full instrumentation.

That way you'll find out a few things you might not learn from the usual new car test drive around a city block, because you've got time to really put the car through its paces.

You'll discover, on a trip, how comfortable the seats are. And you'll welcome the clever idea of the fold-down rear seats that enable you to carry awkward objects and a third person, or use the entire rear seat area to increase the boot space. You'll discover the effortless performance of the smooth, quiet 2 litre engine. But what you'll probably enjoy most will be the remarkable fuel economy of up to 36 miles per gallon, recorded in overseas tests.



Mazda 626 (shown above), available in 4-speed and automatic model options.

Mazda 626. A Driver's Car



home of Mazda reliability

Look for the blue Mazda sign — 54 dealers throughout New Zealand

MM276 OBM

Payroll Headaches? Management Worries? Frequent Problems?

Relieve the pressure of payday with Computer Consultants' Payroll Package.

We've been solving our clients' payroll problems for over twelve years with our Computer Bureau service, relieving pressure and meeting the tight deadlines that can frequently put pay clerks under strain. We can offer a wide and growing range of options, features and management reports with a payroll system that is versatile enough to suit your firm's needs however large or small.

Our service is convenient, it's simple to use and it's confidential. You can rely on us week after week and you'll be able to use your staff on other more productive business matters.

It's comforting to know that several hundred firms already rely on us.

For prompt relief from your payroll headaches, consult the specialists.

Just fill out and mail this coupon to our nearest branch.



Computer Consultants Ltd
"COMPUTERS - BUREAU - WORD PROCESSING"
the solution is simple

P.O. Box 173, Auckland. P.O. Box 1324, Palmerston North.
P.O. Box 3418, Wellington. P.O. Box 2840, Christchurch.
Please send me full details of your Payroll Service.

NAME

RANK

ADDRESS

Auckland Tel 798-650 Palmerston North Tel 777-1111
Wellington Tel 796-962 Christchurch Tel 777-1111

Grape variety list aids discerning wine consumers

by Frank Thorpy

THE list of the only grape varieties now permitted for labelling wines containing at least 95 per cent of grape juice and 75 per cent of the grape variety names, has been released by a reluctant Health Department and Wine Institute.

Why they were reluctant to issue the information to those most vitally concerned — the public — is puzzling, (but per for the course for bureaucrats) because, the labelling regulations are to the advantage of the discerning consumer.

The first and most welcome news in the list is that no American hybrid or native American *Lubrusca* varieties has been included.

There are no Baco or Seibels or Niagara or Albany Surprise, so that anyone who buys a



George Gair... department reluctant

bottle labelled with the grape variety named in the box is sure to be getting a wine made from at least 75 per cent *Vitis Vinifera*, the only grape growing species which has lasted throughout the known history of the world, and not one of the hybrid grape varieties foisted



Everything that sparkles... is not champagne

on the public of New Zealand over the past 50 years. One wonders whether New Zealand should not seize the opportunity of getting rid of the word Pinot in front of Chardonnay. Experts all over the world (except perhaps in California) agree that Char-

WINE LABELLING — GRAPE VARIETIES PERMITTED

Alcanta Bouschet, Cabernet Sauvignon, Chasselas or Golden Chasselas, Chardonnay or Pinot Chardonnay, Chenin Blanc, Gamay or Gamay Beaujolais, Gamay Teinturier, Grey Riesling, Hermitage, Malbec, Merlot, Muller-Thurgau or Riesling-Sylvaner, Muscat, Palomino, Pinotage, Pinot Blanc, Pinot Gris, Pinot Meunier, Pinot Noir, Refosco, Riesling or White Riesling, Johannisberg Riesling, Rhine Riesling, Sauvignon Blanc, Semillon, Shiraz, Sylvaner, Traminer or Gewurztraminer.

One well known grape omitted from the above list is Cabernet Franc, used a lot in blends of Bordeaux Wine and available from Te Kauwhata.

Chardonnay is not a Pinot. Grey Riesling is a term used only in California and the grape, under the name of Chaudé Gris in France, is not distinguished. It is a pity it was ever introduced into New Zealand. Gewurztraminer, or Traminer puzzles many wine-lovers. Originally the grape was Traminer from the village of Tramin in the Adige district

of Italy. It was adopted by Austria, Germany and Alsace, and because it has a spicy and also an earthy flavour, particular variations were called Gewurztraminer, the word *Gewurz* means spicy. To save confusion, New Zealand should perhaps use the Australian practice and name all the wine Traminer — it is less of a mouthful.

Wine made from the Riesling-Sylvaner grape (a cross) or Muller-Thurgau cannot now be called a Riesling, the aristocrat of German grapes and be called a Riesling.

Where the variety is the result of a crossing of two varieties (commonly thought to be Riesling and Sylvaner) the varietal names should be joined by a hyphen (Riesling-Sylvaner or Muller-Thurgau).

Where a wine is a blend of two or more varieties, their names should be separated by an oblique stroke (Riesling/-Traminer, with the predominant grape first). This should result in some shuffling round with Cabernet-Pinotage varieties, for example.

If a winemaker chooses not to name a wine by the grape variety, but by the words premium or private bin, this wine also must contain 95 per cent of grape juice or not more than one gram a litre of volatile acidity for red wine and 0.8 gram for white wine.

So it is clear that the discerning wine-lover may judge by the labels the substance if not the quality of the wine he drinks.

Dry red, dry white and all other proprietary brands may mean that he is drinking wine permitted to have up to 20 per cent additives, sugar and water or in some cases additives, not classed by the Minister of Health as harmful, but which are the subject of growing suspicion in other parts of the world.

Not all of these wines, however, will contain as much as 20 per cent of additives, but unless the proportion drops to 5 per cent the wine must remain in that class.

In wine and food regulations world-wide, what is not permitted is not allowed, and according to this rule, under the sparkling wine regulations the word champagne is not permitted.

This is in line with the New Zealand Customs Department ruling, which permits champagne, the product of the district of Champagne in France, to be imported without an import licence, but not any other so-called champagne, and gives it a special tariff concession on the basis that nothing similar is made in New Zealand.

The New Zealand labelling regulations now list three varieties of sparkling wines:

- Bottle fermented as in the style of traditional champagne;
- Fermented as in the Charmat process;
- Carbonated wine impregnated with carbon dioxide artificially added.

The Madrid Convention of 1891, ratified by New Zealand about 25/30 years later, laid down certain rules concerning the rights of various nations to protect the appellation of manufactured products by international legislation.

Among the products was champagne, and France had incorporated in the Treaty of Versailles so that ever since, Germany, Austria, Hungary, Bulgaria and Turkey have not been able to call their sparkling wine champagne.

France won a celebrated case in England in the 1960s, so the word there designates produce of Champagne, but the United States and Australia have continued calling their sparkling wine champagne.

Though there have been moves to have the convention abrogated, so far New Zealand adheres to it. One sees little or no New Zealand wine so called champagne, and it is good to know we respect our international conventions.

The only clause in the new regulations that meets with the Wine Institute's disapproval is the one whereby if a wine contains more than 2 per cent by volume of concentrated grape juice, it is required to be labelled in four millimetre letters with the word "manufactured from reconstituted grape juice".

The institute complains that it is unreasonable and impracticable, but the fact remains that the practice of adding freeze-dried concentrated grape juice has gone too far in New Zealand. Once the grape must has been freeze-dried, the grape water, which has been extracted, has to be re-added by tap water. It is much used in the so-called British wine or sherry.

An important requirement is the need to show on the label the words "artificially coloured" or "colour added" in all cases where the wine has been coloured except by caramel, which is traditional.

To its credit, the Wine Institute did try to have excluded products covered by Section 232, which allows such alcoholic products as the former Brother Dominio to be made with little or no grape juice at all.

But such products now must carry a statement of the ingredients, including water, in descending order of quantity expressed as a percentage of the whole content of the package.

All in all, the new labelling regulations are good, and beneficial to the consumer.

If the consumer wants to buy a quality bottle of local wine, he should perhaps eschew such products as dry red, dry white or proprietary names as they could, but not necessarily, contain as much as 20 per cent of additives including water and sugar, on the other hand, any wine named by a permitted grape variety or labelled private bin or premium wine should contain at least 95 per cent of grape juice, and in many cases may even contain 100 per cent.

Painting purchases adorn company walls

by Peter Isaac

FINE art represents a major growth in the office equipment market. The heads of major public companies seem almost as interested in their catalogues and auction lists as in the stock market report.

They are buying paintings to put on their office walls. Visitors, anxious to do big business with Fletcher Holdings, are well advised to carry a while on the executive floor to take in the celebrated "Fletcher Collection".

Challenge Corporation, fresh from sponsoring the Thyssen touring exhibition, continues to add to its New Zealand collection. The ICI collection is a major one in its own right, built up over the years by aesthetically-inclined chief executives.

Alex Harvey Industries has a company collection. So does UDC. The main producer boards are catching on and dispatching examples of the art to their branch offices around the world.

In under two decades business leaders have become acute-

ly conscious of fine art. Gone for ever are the prints to cover the wet patches on the wall. Here for good is the pick of New Zealand art — old and new.

"There is no doubt about it," comments Brian Groshinski of McArthur & Co, fine art auctioneers, "large companies and institutions are buying paintings and putting them up on the wall".

Gordon Cooksley of McGregor Wright believes that art for the senior business executive is becoming part of "everyday life". Cooksley, whose firm handles the paintings of Peter McIntyre worldwide says "these people are realising that they spend nearly as many waking hours in the office as in the home. They want their art where it can be seen and appreciated."

There are some practical factors in the refining of the New Zealand business executive. With visitors like David Rockefeller, Adnan Khashoggi and Baron Thyssen nobody in charge of a New Zealand conglomerate wants to

appear a peasant.

The presence on the walls of obviously distinguished art creates an initial common interest between the local chief executive and a cultured visitor.

Cooksley believes that the corporate collecting drive has become infectious. "There is a feeling 'if he can do it — so can I'".

Corporate collecting began in earnest 10 years ago, with instantly recognisable names of the representational school. It accelerated rapidly towards the middle 1970s as companies began to "invest" in new artists. Then it seemed to slacken off for a few years.

Now it has taken off again with a much bolder approach as companies take the abstract and surrealists more seriously.

The Department of Foreign Affairs is a market leader, and appears to have actively encouraged embassies around the world to display lesser known artists along with the Woolastons.

The Foreign Affairs collection in Wellington is marred by the headquarters partition demountable decor, but it remains one of the nation's boldest.

Director of the Elva Beal Gallery, Louise Beal, points out that the business community is emerging as a very definite market in its own right. The corporate buyer, is particularly responsive to dealer advice.

With the business community staking out such a big part of the art marketplace, the dealer, she says, is emerging in

true colours as "an adviser and consultant" rather than just an exhibitor and order taker.

It is not only the big public companies blazing the path. Craig Walsh-Wrightson director of Campaign advertising agency has just bought two huge canvases by Dick Frizzel, from the Bett Gallery, to hang on the walls of his office. It is part of a concerted effort to organise the office away from haphazardly pinned up designs and posters into an environment "in which we have the best art available".

Company purchasing is giving an important boost to the entire arts service industry. ICI's collection includes the oldest New Zealand works, to the very latest and there is opportunity for auctioneers, dealers, and the artists themselves to take advantage of the surge of interest.



Louise Beal... corporate buyers respond to dealer advice

At the same time, the spouses of the directors are taking very much a back seat to the art dealers in selecting purchases. A painting will probably represent the only appreciating fixture there is.

Goodyear Breakthrough

BIG GRIP

Mile after mile

The grip you need. The mileage you want. Now Goodyear's breakthrough in tyre technology gives you both. Goodyear Grand Prix S steel belted radial.

Grand Prix S Grip. Even with the Goodyear Grand Prix S tread worn down to the minimum legal depth, the grip is remarkable. In the wet, around the sharpest corners, Goodyear Grand Prix S hangs on — the result of years of



Tests on overseas Goodyear Grand Prix S tyres suggest that no other tyre maintains such a high contact with the road in the wet.

BIG MILEAGE

the grip goes on

technical research and development in the laboratories and on the test tracks of Europe. No other tyre can boast the Grand Prix grip.

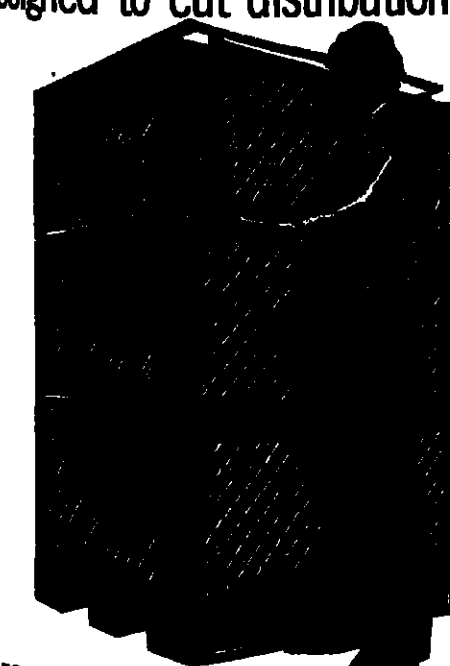
Grand Prix S Mileage. Tread erosion and squirm are greatly reduced because the Grand Prix S tyre tread lays evenly on the road and mile after mile of extra tyre life. When the tread on most other tyres has long ceased to be effective, Goodyear Grand Prix S grip goes on.

Grand Prix S.

GOOD YEAR

GO ANYWHERE HOLD ANYTHING LOW COST HIRE CONTAINERS

designed to cut distribution costs



FOR DISTRIBUTION. Cheap Hire pallet cages will carry your goods anywhere in NZ for only a few cents per day. You can hire them here and deliver them there.

FOR STORAGE — Term discount rates. By inserting a single liner, flowable commodities can be carried. **SAVE ON PACKAGING** 80% of cage users have significantly reduced packaging costs. **SAVE ON DAMAGE** 70% of cage users have reduced transit damage by over 80%.

SAVE ON COSTS. Cheap cages are the lowest cost collapsible hire containers available. **STACKABILITY.** Cages available in 12 & 3 high units (as shown) are ideal modules for all transport modes. Each section dimensions are 1200mm x 1000mm x 630mm.

Get your goods to customers in better order and condition, and at less cost.

Mail this coupon for explanatory literature to P.O. Box 28555 Hunters Corner, Papatoetoe
CHEP HANDLING SYSTEMS LTD
New Zealand's national pallet and pallet cage pool.
Offices at Wellington and Christchurch

NZEXPERTISE



New Zealand is among the world leaders in the production of high quality refined sugar, thanks to the expertise of the NZ Sugar Company. As a raw material for the food industry, large quantities of high quality sugar is a necessity. NZExpress has the expertise for fast, efficient delivery of sugar in bulk. NZExpress operates a fleet of specially designed tankers capable of carrying up to 25,000 litres of liquid sugar safely and hygienically.

Although NZExpress delivers many thousands of tonnes of sugar annually, we also have equipment designed specifically for the transportation of wine, cooking oils, latex, chemicals and a large variety of other liquid or flowable loads. Many clients have found NZExpress bulk liquid transportation a low cost, efficient method of moving their products. Sweeten the bitter experience of your

transport problems. Call the Bulk Liquid Supervisor at your nearest NZExpress office and ask about the advantages of bulk deliveries.

NZEXPRESS
transport to depend on
AUCKLAND phone 797-840
WELLINGTON phone 737-477
CHRISTCHURCH phone 642-149

Overseas trade

Germans cool on Kiwis despite local paranoia

by Lindsey Dawson

FEARS that big West German multinational companies are hovering at our doorstep dying for an opportunity to come and invest here and cream off the profits are unfounded, says German trade representative Rudolf Rindermann.

"It's quite the opposite. When I get interesting trade inquiries from New Zealand companies to try to get a contact in Germany that's hard work for me, because they are very cool about New Zealand."

"They know that it will take a very long time to get a return on their investment here. There is no point in waiting years when they can invest in American, Japanese or Taiwanese business and get their money back within months," he said.

Journalists and others frequently ask questions that indicate New Zealanders are frightened of West German

business, but according to Rindermann it's more a question of trying to get Germans interested.

West Germany's new trade office in Auckland, headed by Rindermann, opened recently with a function eagerly attended by local businesspeople who were no doubt drawn as much by the invitation to sample German beer and wine as by the promise of assistance in trading with Germany.

The office is one of 40 around the world, run by the West German Association of Chambers of Commerce and Industry but largely funded by the German Department of Trade and Industry.

The decision to establish one here was made in Bonn in October last year along with establishment moves in Lagos, Nigeria (a heavy supplier of oil to Germany), Seoul and Dublin. In the other three cities combined chambers of commerce will be set up between

Germany and companies of the host country. German interests here are so small that Rindermann's initial brief is to set up a trade office only. His contact as delegate is for two years and the future depends on how trade develops.

Trade between the two countries is heavily in New Zealand's favour, and most is conducted by large producer boards rather than private enterprise — a factor which influenced the decision not to set up a combined operator along chamber of commerce lines.

Last year the trade volume between the two countries grew to \$333 million, a 57 per cent increase on 1978. West Germany is New Zealand's fifth biggest trading partner behind Australia, Britain, the United States and Japan.

Dairy products and lamb are the only products affected by EEC restriction, says Rindermann. "Venison exports to Germany are now as big as the

lamb trade. Kiwifruit are a very important export item. Every German child now knows kiwifruit. Although they refer to them as 'kiwis'."

There is big potential for expanding the export field into forestry products and fish, he says, although the joint venture project between West Germany and New Zealand in deep-sea fishing has a doubtful future, after the German ship Wesermunde returned home several million dollars in the red.

The best prospects for developing exports to the large German market are in processed primary produce in attractive and marketable forms, according to Rindermann.

From Germany's point of view New Zealand is small cheese. We account for a mere 0.1 per cent of German's 600 billion dollar export trade. "That's why Germans are

normally a little cool when New Zealand companies or exporters are mentioned," says Rindermann.

So, what are the Germans looking for in New Zealand? "You are a big market in some special things, specially in the field of machinery and technology — almost every New Zealand factory I have visited has some sort of German machinery."

Asked if upcoming energy and big industrial developments hold special interest for the German government, Rindermann emphasised that in West Germany business decisions were made by businesses — not by the government.

"It's not like here, where every big venture must be sheltered by government or helped by government banks. We have no government banks. Government doesn't interfere. Sometimes it helps if a lot of problems arise in some big joint ventures but normally discussions are only held with companies."

Rindermann said that there were some German-New Zealand projects in sight, but none that would significantly boost West German exports to this country. "One of our problems is that the Deutschmark is so stable that it makes our prices rather high except for specialised machinery which can't be bought elsewhere or is desirable because of higher quality."

Rindermann foresees no big private German investment in New Zealand in the next year or two.

"There are different levels of investment, of course. One when your government poses the German capital market and gets some money — that's German investment in New Zealand but not between private companies."

"The next is joint ventures. We have only one or two in shipping in deep-sea fishing. There are some problems about it. I don't think that in the next few years there will be a lot of interesting developments. Some new projects may be there but there will be no multi-million dollar investment there. I think we can forget it."

"There is some investment by private individuals here but it's not a very important amount."

The important thing to develop is trade, not investment, says Rindermann. New Zealand has a lot going for it, says. After working in Africa and Eastern bloc countries during the last 12 years he considers doing business a New Zealand relatively free.

We should be aware of the advantages that we have been able to produce high quality foodstuffs in a climate which generally provides a stable output, without the massive droughts, flooding or extremes of temperature found in other countries.

"You are lucky that you don't have to worry about that. It means you can put all your intelligence into processing the right things for the right markets."

The Money Book aims higher in 1980.



The 1979 (and first) Money Book was an almost immediate sell-out. The upgraded 1980 edition contains an invaluable analysis by Peter Saunders, a widely respected investment consultant, of all listed companies in New Zealand by industry group. This means the performance of individual companies (over the last three years, five years and in 1979) can be immediately compared with those in the same and similar fields and the comparative investment strengths or weaknesses of different industry sectors can be simply seen.

The Money Book has a new section listing all directors and their directorships... the guides to borrowing and lending in New Zealand are as up-to-date as computer technology allows... and the listing of all NZ public companies ranked on a range of financial indicators remains an invaluable investment service.

THE MONEY BOOK...

WORTH ITS WEIGHT

To purchase your copy of The Money Book, simply fill in the Fourth Estate Subscription Service coupon elsewhere in this issue.

Forestry

Timber tempers start highway showdown

by Greg Newton

ASHOWDOWN is coming on the nation's highways.

In the blue corner is the National Roads Board, a statutory authority that was, in 1971 administering five per cent of total Government spending. Today it is in charge of around two per cent.

In the red corner is the forest industry poised at the foot of a production mountain that during the 1980s will see new timber processing industries established in Northland, Nelson and Otago, with more to come in the 1990s.

The argument is who will have to provide the highways required to carry the vast quantities of timber to be felled from the forests?

A weigh-in ceremony has been conducted, only rarely in public, for several years. It climaxed during 1978 when Freightways was awarded the contract to cart pulp from the new Karioti mill in the central North Island to Napier for export.

Freightways wanted to use the Taihape-Napier road that could not have withstood the loads involved. Major upgrading would have been required — upgrading that the National Roads Board could not afford to carry out.

In the end, the job went to the Railways Department which trimmed the price it had originally submitted for the job and the issue dropped from sight again.

Round one is coming up.

The Taumarunui County Council has announced its intention of levying logging trucks, which use some of its roads, a tax of six cents a stone-kilometre. It has agreed to hold off the imposition until the National Roads Board makes its five-yearly trip through the district at the end of this month.

In the same part of the world, the Waimarino County Council and Winstone-Samsun, operators of the Karioti mill, are in dispute. The council asked for a contribution from the company for the extra road maintenance costs that will be caused by the heavy traffic generated by the mill and were refused.

The forest industries will largely be developed in areas where existing road networks are geared to rural uses, dominated in the past by farm

traffic and the comparatively light loadings generated in the planting and early management stages of forest development.

These areas missed out on the road-building construction plunge that began with the establishment of the NRB and its guaranteed income in the early 1950s. Most of that money went into urban motorway construction and improvement of the major arterial routes; priorities that rated tops in the days when New Zealanders were growing wheels and the private car was king.

Even today, energy problems and drastically reduced growth in private motoring notwithstanding, many of the road-building projects showing the greatest return on investment are in urban motorway extension works and the elimination of remaining blockages in the arterial network.

The NRB is no longer the cigar-smoking quango that in 1964 was able to give the Government back \$2 million because the money was not needed. The tax manipulations of successive Governments have practically eliminated its independence, and throughout the 1970s it has had to rattle a collection box outside Parliament seeking state funds — in reality, road-building taxation diverted to the consolidated fund — to maintain a much-diminished construction programme.

The Government now sets a budget total for the board to spend each year but increases have never matched inflation. The Ministry of Works and Development's construction cost index, the CPI of construction, rose 30 per cent last year, while the board's budget rose by around five per cent.

Maintenance of existing roads is now devouring close to 90 per cent of the board's revenue.

With its finances weakened, the board is in no position to undertake major construction projects that will be required in the near future.

And its ability to subsidise local authority programmes is severely limited with the result that ratepayers in areas where new industries have been established are screaming because their councils are forced to divert increasing shares of their income to roads damaged by heavy traffic associated with those industries.

The precedent for new industries to contribute to associated road costs is well-established, at least in the public sector. The Electricity Department paid for upgrading the state highway link between Turangi and National Park in the early days of the Tongariro development, paid most of the bills in the Mackenzie Basin for work associated with the Upper Waitaki power scheme, and is now paying for a new high-level road through the Cromwell Gorge on the Upper Clutha.

Forestry interests and truck operators have a sharp comeback to that; they say that they pay their road user charges, and that's that.

But the NRB in turn points out that road user charges have not yet reached the stage where they are netting the full share of the costs that heavy transport imposes on the road

network, and extra contributions should be required when new industries are established in districts with inadequate roads.

This stand-off has been maintained for some time now, and current events in the central North Island indicate that tempers are beginning to fray in both corners.

Forest industries have few alternatives to road transport. Rail is not really on, except for processing plant-to-port transport.

Barging has been proposed for the Northland development, and may be used in the Marlborough Sounds in the 1990s. But the option is not generally available because of the requirement for easy access to the sea or navigable rivers.

Transport costs are a large component of timber processing industries, and the quality of the roads can have a big impact on operating costs, affecting fuel consumption and vehicle life. Forestry is one industry that is still very conscious of the old Stand Goosman adage that, "you have to pay if you want good roads, and you pay twice if you don't".

Settling the battle will eventually involve compromise with the Government probably having to act as both referee and sponsor.

The proponents of major forest development will probably end up making some contribution to the cost, perhaps financed with concessional loan money while the Government itself is going to have to take a more realistic attitude to road expenditure if timber extraction and processing is to remain economical.

The first moves in this direction came in this year's Budget with the allocation of

\$500,000 for the upgrading of existing roads for forestry and tourism.

The Forest Service quickly got its name down for the whole lot: \$250,000 for the Esk Forest in Hawkes Bay, with the rest for other roads in the Hawkes Bay and Wairarapa region. It is a situation that has not amused the NRB which is also under pressure from tour operators in places like the far north, Mt Cook and Fiordland.

It appears that the referee is going to have to put a much bigger purse if he is to stop the fight going past the first round.

But with Cabinet Ministers apparently having despatched road-building to the non-essential basket for the next few years, it is difficult to see the Government putting up the \$3 million a year that road experts estimate will be needed to make serious inroads into the problem.



NEXT TRIP TO AUSTRALIA TAKE YOUR BIGGEST BUSINESS ASSET WITH YOU. FOR A TAA FAMILY HOLIDAY!

It'll be far more than just a holiday. Because TAA makes the very most of the best of both worlds, you'll find it's all so easy. TAA's range of holiday gives you the best of both worlds. You can design your own holiday package. Four days... seven. Return Melbourne to the Gold Coast is only 75 minutes by TAA. With everything laid on when you arrive. And TAA's See Australia affairs save you up to 30% on your TAA (TAA's Bonded) Travel Agent right now.

TAA
TRANS AUSTRALIA
We're more than just a holiday.

Plastics

New local laminated glass resists penetration

A \$1.5 million investment in plant and buildings has enabled Pilkington Brothers (New Zealand) Ltd to use a high-technology plastic material in the manufacture of laminated glass. All laminated glass was previously imported.

Pilkington's managing director Ron Cambie, said the new plant at Taita in the Hutt Valley gives greater opportunity for the automotive and architectural industries to use the technology.

At the heart of the new laminated glass is Polyvinyl Butyral, a translucent plastic which, when bounded to the glass in a heat-pressure chamber, turns transparent.

Two types of polyvinyl butyral plastic are used in the manufacture of laminated glass. One, for all architectural and security applications and the other, a high performance plastic, for motor vehicle

THIS survey on the plastics industry is prepared by David Peach in association with the Plastics Institute of New Zealand

windcreens. The automotive product offers a higher resistance to penetration by a rifle bullet.

The most common uses of laminated glass are in motor vehicle windcreens and where safety and security is planned.

Unlike the conventional toughened glass windscreen which shatters into small granules, the laminated glass screen "stars" at the point of impact. It is seldom penetrated. This retains visibility for the driver, and affords protection against the weather. The screen can be replaced at the driver's convenience.

This is particularly useful in

large trucks where down time is costly.

Laminated glass is recommended where there is a danger of people coming into violent contact with the glass—shower cubicles and bath surrounds, and floor to ceiling doors and windows for example.

Thicker and stronger "Bondlite" known as anti-bomb glass is available for use in shop windows where the resistance to penetration makes it an effective barrier against smash-and-grab attack.

The manufacture of laminated glass is a complex process which requires attention to detail and atmosphere controlled conditions.

For laminated glass windcreens, two sheets of flat float glass, cut to the correct curvature are washed, sprayed with a fine solution to stop them sticking to each other, and placed together in a mould, curved to a body shape to suit the vehicle model.

After heating under an electric oven, the glass sheets sag and adopt the shape of the mould. Under controlled atmospheric conditions, the polyvinyl butyral interlayer sheet (sometimes with a tinted band) is placed between the glass sheets. As much trapped air as possible is then expelled by means of rollers. Later, the windcreens, which are translucent, are placed in an autoclave, a large pressure-temperature chamber where they are cured.

The end product is a completely transparent wind-



Laminated glass... "stars" at the point of impact

screen, indistinguishable from a single sheet of glass.

Ron Cambie said that now Pilkingtons has the capability to produce this type of glass laminate, he foresees it being used for windcreens in New

Zealand-assembled vehicles, both as original equipment through the replacement market. Usage, he says, would be based on consumer demand rather than Government legislation.

President welcomes new unemployment approach

THE new approach to unemployment and retraining suggested by the Planning Council is to be welcomed by the industry, according to Plastics Institute president, John Mason.

He told the annual meeting of the institute's Auckland branch that it was important the industry did not fall back on training of skilled personnel due to the current depressed economic climate.

Training programmes to provide skilled engineering tradespeople and other skilled personnel must be increased if the plastics industry was to have the personnel resource available for its anticipated growth in future years, he said.

The industry for many years had fostered "in-house" training programmes for its employees through its own technical training group which worked closely with technical institutes.

But Mason said the Government-funded education system had a far wider responsibility for providing vocational training of school leavers during the first years of tradesperson training.

Government, he said, should de-emphasise university

education in favour of technical institute and apprentice training which produced more in keeping with the country's requirements.

Mason said that the plastics industry employed a large



John Mason... advocates apprentice training

number of skilled and semi-skilled people within its workforce of more than 6000. Many of these, he said, were employed in regional areas, where continuity of employment could not be guaranteed if businesses in such areas were to fail to retrain and where the effects of such retrenchment could have major effects on a local community.

Logo reflects approach

THE Plastics Institute is to adopt a new graphic identity to reflect its approach to industry affairs.

The new logo was designed by a second-year student at

and industry people.

Design school tutor, Bob Bassett, said the project, run by a competition, gave the students an opportunity to "get their teeth" into a real project rather than a theoretical design exercise.

He said it was unusual for the design school to run such competitions but support from the Plastics Institute for numerous other polytech activities justified this case.

Slightly modified, the logo will appear on the institute's letterhead and on the publications it produces.

The design will be available to members of the institute to incorporate into their stationery and it will be used to help foster a greater recognition of the role plastics materials play in everyday life.

pitZ
Wellington Polytechnic's School of Design, Patrick Murphy.
The design, selected from 28 design school students' submissions, was judged the best entry by a panel of design tutors

all arranged for you.
Contact Air New Zealand or your freight forwarder.

AIR NEW ZEALAND CARGO

Now more capacity to U.S.A. and Europe with 12 flights weekly.

Air New Zealand Cargo now has 40 tonnes of extra capacity to and from the U.S.A. or Europe every Monday. (Plus our usual 11 flights a week to and from Los Angeles.) Each of these Air New Zealand flights can carry bulk cargo for

distribution throughout the States or Europe. Here's the frequency you need for perishables like fruit, meat and fish. And the capacity for major shipments of machinery, plastics, textiles, leathers. With on-going connections to Europe

Plastics

Australian products find big lucrative market here

New Zealand is the most significant country of destination for Australian-produced plastics materials and products, according to figures compiled by the Australian Bureau of Statistics.

Since 1977 Australian production of materials and products has increased by 39 per cent to a value of nearly \$58 million.

Statistics show that this country, which is the largest customer for Australian plastics materials and products, took about 39.2 per cent of its total plastics exports in 1977-78 and 24.1 per cent in 1978-79.

The slight reduction in New Zealand's share of Australian plastics exports appears to have been accompanied by slight increases in the exports, par-

ticularly of plastic products, to an increasing number of south-east Asian countries.

The most significant countries of destination for plastics materials were New Zealand, taking 33.9 per cent of the total valued at nearly \$11 million; Singapore, 7.6 per cent valued at \$2.5 million; Papua New Guinea taking 3.1 per cent of

the total, valued at nearly \$1.5 million.

In 1978-79 New Zealand took 24.8 per cent of Australia's total plastics products production valued at more than \$3 million.

Papua New Guinea claimed 14.6 per cent of the total, valued at nearly \$2 million and Singapore only 7.5 per cent, or \$939,000 worth.

PINZ executive director Bruce Dunlop said the New Zealand plastics industry relied on Australia, to a considerable extent, for its raw materials supply.

He said that while the industry recognises that closer economic ties with Australia are inevitable, and will perhaps result in a total phase out of protection on products from Australia in the long term, New Zealand industry must have some breathing space to develop both local and exporting competitiveness.

Dunlop said the plastics industry had an enormous potential for growth in both local and offshore markets, but this potential would be severely hampered if increased quantities of Australian-made plastic products were allowed free entry to this country.

He said some areas of the

local plastics industry had developed without any form of protection, and in fact did not require any, but a small domestic market and the resultant short production runs meant that some form of protection was still required by other sectors.

Dunlop said PINZ believed that import licensing was the most appropriate form of protection for most of the plastics industry and argued that the retention of import licensing did not necessarily go hand-in-hand with inefficiency.

The plastics industry had a turnover of more than \$300 million last year. It exports about \$35 million a year both direct and indirect exports and produces locally more than \$200 million worth of plastics products and materials which would otherwise have to be imported.

Side-sealing enables tailor-made shrink-wrap

A \$200,000 side-sealing machine, recently installed at the Porirua plant of W R Grace (NZ) Ltd, has enabled the manufacture of tailor-made shrink-wrap bag for primary produce industries.

The machine, manufactured by Grace in the United States and modified to suit local packaging requirements by the company's local technical personnel, can produce bags to any width size.

This is the first time that

such a service has been available in this country.

Traditionally, shrink-wrap bags are end-sealed, and by virtue of the available technology, were produced to standard dimensions.

According to Grace Cryovac plant manager, Graeme Ward, the new machine can make bags to within one millimetre of any width requirement.

Trials have shown that side-sealed bags give a better finished appearance with some

products than end sealed bags. Ward said an added advantage of the side-sealed shrink bags was that they have a greater tendency to sit flat on automatic sealing equipment which results in a faster throughput and a reduced bag rejection rate.

He said that while a side-

sealed bag could offer packers of some foodstuffs certain advantages over end-sealed bags, they would not totally replace the end-sealed types.

Following packaging trials with cheese, a major cheese producer has placed a substantial order for custom printed side-sealed bags.

BUTLER.ONE INDUSTRIAL SAFETY STANDARD.

Industrial safety belts and harness. The personal security harness range for every working situation.

The Butler range of Webslings. Standard and custom made.

The Railok tower and ladder safety system. Gives positive fall arrest yet allows full climbing freedom.

Butler webbing products

John Edward Butler (N.Z.) Ltd sets only one industrial safety standard.

Absolute.

Unsurpassed care, strength, and precision testing back each specially developed Butler Industrial Safety Belt, line, locking device and accessory.

Butler Industrial Safety Products. The range and security is unmatched.

BUTLER SAFETY

Butler Safety: For more information on (please tick):

Webbings. ☐ Industrial Safety Belts and Harness. ☐

Railok Tower and Ladder Safety System ☐

Please send this coupon to John Edward Butler (N.Z.) Ltd, P.O. Box 1781, Auckland.

Name _____ Address _____

A member of Rex Consolidated Group of Companies.

BLOW MOULDER BATTENFELD BEK 12

Fitted with Accumulator
12 Litre Cap.
New 1973. Good Condition

FOR SALE

Graco Machinery Pty Ltd
P.O. Box 19 Watsons Bay
2030, N.S.W. Australia
Telephone Sydney 371-8557
STOCKIST OF PLASTIC MACHINERY



Flourishing concern

New Zealand can teach the rest of the world a thing or two about efficient farming. Our farmers have always been receptive to new developments. They were among the first to realise the remarkable improvements in grain and seed yield and quality to be achieved by using the new Bayer fungicides, Baytan® and Bayleton®. Their faith in both products made them overnight market leaders. Bayleton® also helped to save the Mexican wheat harvest and make barley growing possible again in Colombia.

But it is only one of over 10,000 new compounds which Bayer investigates every year as part of its research programme and only one of the 6000 materials it markets — including industrial chemicals, engineering plastics, rubbers, pigments, textile dyestuffs and fibres, pharmaceuticals and animal remedies.

Bayer is a Company whose concern, imagination and dependability have enhanced almost every aspect of our lives. World-wide, Bayer employs 181,000 people and spends over \$600 million each year on research.

It is a flourishing concern because it is committed to ensuring that Man and his environment also flourish.

Henry H. York & Co Ltd
PO Box 38 405, Petone
Branches in Auckland
and Christchurch

Bayer
Improving the quality of life

Plastics

Brick tie released

SIGNIFICANT export sales are expected for a polypropylene brick tie recently released on the domestic market by Talbot Plastics Ltd, of Christchurch.

Company principal Peter Talbot said the brick tie, which last week was awarded use of the Designmark, has been 18 months in development.

He said the tie, which scored brick veneer sidings to housing framework, will supersede the variety of metal ties currently being marketed here and overseas.

The tie is not subject to corrosion and the polypropylene material is not affected by temperature variation or climatic conditions.

Talbot said the dramatic increase in the quantity of outdoor brick veneer being used by the construction industry world-wide prompted manufacture of the brick tie. He said the product has been designed in association with the Building Research Association and conformed to Standard 3604.

Market research, recently completed in Australia, has indicated a large market for the brick tie in that country. Accordingly, Talbot Plastics will concentrate on supplying that marketplace. Australian demand for the new tie is expected to be for more than one million units in the first year.

Talbot said, that while the product will also be available here, the local market would be secondary at this stage. He said the size of the Australian market justified longer and more economical production runs, and ultimately would result in a less expensive product for local consumption.

Bader experts to visit

TWO senior technical executives from the British-based Scott Bader Company Ltd will visit New Zealand in mid-November to deliver technical papers on glass-reinforced plastic (GRP). The company is

a leading manufacturer of Crystic polyester resins for industry.

Ken Parvin is a resin chemist with the Scott Bader group, and Les Norwood, a scientist, specialises in the physical performance of Crystic polyester resins and mechanical properties of GRP laminate.

The visit has been arranged through Monsanto NZ Ltd — the local sales agents for Crystic resins. Ken Parvin has been involved in the development and use of polyester resins for more than 20 years.

The two men will begin their week-long visit to New Zealand on November 15. They will meet Monsanto clients and will spend time with technical and production staff from Reveries Industries (NZ) Ltd, the local manufacturers of Crystic resins.

One of the technical papers will cover resin selection for the manufacture of fibreglass yacht and boat hulls. The function will be attended by marine construction experts.

At a second function, the visitors will present information covering the design aspects of the use of GRP in chemical plants and the relationship between chemical resistance and the physical properties of GRP laminate.

Scott Bader licences, throughout the world, are linked to each other through the Crystic Research Centre in Wollaston, England. In New Zealand, the Monsanto-Reveries partnership is part of that link.

Firm prepares trial tag deal

A TRIAL \$80,000 shipment of plastic ear tags is being prepared by Palmerston North's Allflex Holdings Ltd for export to markets in Central and South America.

And according to Allflex export sales executive, John Beattie, who has just returned from the area as a member of the Export Institute trade mission, the market potential for the animal cartagging system, particularly in Argentina, is considerable.

This is the first time a representative from Allflex has

visited Central and South America and the firm established good relations with several companies and government organisations there, Beattie said.

"We have appointed a sole agent to cover Argentina, Uruguay and Paraguay. It is a large Argentinian company dealing in a broad range of agricultural supplies and one of the few which would be capable of covering a market of the size. There are 60 million beef cattle in Argentina alone, with Ecuador, Uruguay, Paraguay, Costa Rica and Venezuela also having large herds.

"Ecuador, Costa Rica and Venezuela are different types of markets but they are becoming increasingly involved in cattle artificial insemination programmes and this type of programme requires accurate and reliable means of animal identification to be effective.

"We have appointed an exclusive distributor in Ecuador and Costa Rica. In Venezuela we will be working through government agencies, universities and other research centres," he said.

Beattie said the main problem in all markets is user education. There is a need to change the old way of the branding iron, he maintains. The old method results in pet damage and there is an additional problem of the labour required to restrain the animal for branding.

"All the companies we are dealing with are involved with artificial insemination programmes, apart from the one in Argentina, and they have all made a commitment to educate farmers and government personnel in the use of the tagging techniques."

One aspect which was emphasised to the trade mission was that animal recording was in the national interest. "Recording is the important aspect of the programme but it is often not considered until the last moment," Beattie said.

Some of the markets which Beattie visited already have some tags available but the humane aspect and speed of application with minimal animal discomfort were the most impressive features to potential distributors of the Allflex tags.

"It's early days in this market yet, but I confidently expect that initial orders will be more than \$100,000," Beattie said.

Zip Partitioning Systems.

the optimum in design and sound ratings.

Zip Commercial Interiors

A DIVISION OF ZIP HOLDINGS LTD. A MEMBER OF THE ODOLINS GROUP

150-152
Box 198
150-152
Box 198
150-152
Box 198

414 Te Rapa Rd
PO Box 10-261
HAMILTON
Tel 490-919

77 Thornton Quay
PO Box 845
WELLINGTON
Tel 723-771

39 Manchester St
PO Box 41-142
CHRISTCHURCH
Tel 63-937

292 Kaitake Valley Rd
PO Box 31-42
DUNEDIN
Tel 36-064

15228H

Doing your job well, you can risk life and limb



Safety in the workplace is of socio-economic concern. Where accidents occur, there is human suffering — a possible loss of life, limb, sight, hearing, income, productivity, factory morale, company performance, and industrial harmony.

Protector Safety pioneered industrial safety products in New Zealand and continues to supply the widest range of high quality products available. As an international organisation, Protector Safety are ahead in research and development with highly sophisticated equipment like the Oxy-Resuscitator used in heart attack or mass disaster situations through to helmets, goggles, face shields, gloves, tough protective clothing, and boots. Protector Safety — we're in the Protection Business for workers and management alike.

Here's what Protector sell and service:

- Safety hats and caps • Wild Weather Protective Clothing • Spectacles • Gloves
- Safety Footwear • Face Shields • Ear Muffs
- Resuscitators • PVC Clothing • Drill Overalls
- Welding Protection • Gas Detectors
- SURVIVAIR Breathing Apparatus

Branches and Resellers at

- Whangarei • Auckland • Hamilton • Rotorua
- Tauranga • Hastings • Napier • New Plymouth
- Palmerston North • Wellington • Nelson
- Christchurch • Dunedin • Invercargill

Protector — increasing the chances of survival.

Protector Safety

Protector Safety Products (N.Z.) Ltd P.O. Box 31024, Takapuna, Auckland